



FINANCIAL AUDIT REPORT

11 February 2021

# State entities 2020

Report 13: 2020–21

As the independent auditor of the Queensland public sector, including local governments, the Queensland Audit Office:

- provides professional audit services, which include our audit opinions on the accuracy and reliability of the financial statements of public sector entities
- provides entities with insights on their financial performance, risk, and internal controls; and on the efficiency, effectiveness, and economy of public service delivery
- produces reports to parliament on the results of our audit work, and on our insights, advice, and recommendations for improvement
- conducts investigations into claims of financial waste and mismanagement raised by elected members, state and local government employees, and the public
- shares wider learnings and best practice from our work with state and local government entities, our professional networks, industry, and peers.

We conduct all our audits and reports to parliament under the *Auditor-General Act 2009* (the Act). Our work complies with the Auditor-General Auditing Standards and the Australian standards relevant to assurance engagements.

- Financial audit reports summarise the results of our audits of over 400 state and local government entities.
- Performance audit reports cover our evaluation of some, or all, of the entities' efficiency, effectiveness, and economy in providing public services. Depending on the level of assurance we can provide, these reports may also take the form of:
  - Audit insights, which provide some evaluation and share our insights or learnings from our audit work across government
  - Audit briefs, which set out key facts, involve some evaluation, and may include findings and recommendations
  - Audit overviews, which help clients and stakeholders understand complex issues and subjects.

Learn more about our publications on our [website](#).

The Honourable C Pitt MP  
Speaker of the Legislative Assembly  
Parliament House  
BRISBANE QLD 4000

11 February 2021

This report is prepared under Part 3 Division 3 of the *Auditor-General Act 2009*.



Brendan Worrall  
Auditor-General



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# Auditor-General's foreword

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This year, Queensland state government and local government entities all tackled the challenges of delivering their services during a period of rapid change and emerging risk. Entities faced more complex community service needs, and continued pressure on their efficient use of resources.

During this period, the Queensland Audit Office (QAO) continued to work closely with entities to deliver audit opinions on the accuracy and reliability of their financial statements. Working together, and the insights we share, continued as an essential part of our state's integrity system.

I wish to recognise and thank the significant efforts entities took during our audits. Most of our clients completely adapted how they provided their information and data to us, so that we could deliver our services and reports to parliament.

Many of my upcoming reports to parliament were finalised throughout September and October 2020, however, consistent with my tabling protocols under the [Auditor-General Auditing Standards](#), I chose to wait until after the state election caretaker period before sending them out for comment. I generally do not table reports during the caretaker period or estimates hearings.

I also wish to thank my workforce—QAO staff and our contracted audit service providers—for their commitment and dedication during this busy and unique period.

Notwithstanding the hard work by entities and QAO to achieve compliance with statutory reporting deadlines at a time of disruption, delays continue between the date state entity financial statements are certified and the date they are tabled in parliament by the relevant minister as part of the entity's annual report.

Given the uncertainties of what 2021 may bring, QAO will continue to work with entities to further refine our respective processes based on our learnings from 2020. I anticipate a demanding year ahead for many; and my staff and I will be here to support.

A handwritten signature in black ink, which appears to read "B. Worrall". The signature is fluid and cursive.

Brendan Worrall  
Auditor-General



# Report on a page

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## Financial statements are reliable

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This report summarises the results of 2019–20 financial audits of Queensland state government entities, including the 22 government departments. Most financial statements were signed on time, which was a significant achievement given the challenges presented by COVID-19.

The financial statements of all departments and government owned corporations, most statutory bodies, and the entities they all control, are reliable and comply with reporting requirements. The Queensland Rural and Industry Development Authority (QRIDA) was unable to reliably estimate the loans that will be repaid in the future under the COVID-19 Jobs Support Loan Scheme. This aspect of its financial statements could not be relied on.

Most government departments have processes and systems that allow them to produce good quality financial statements. Departments can continue to strengthen their financial reporting processes, particularly in relation to monthly reporting and use of automation.

## The rapid response to COVID-19 brings risk

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The COVID-19 pandemic has required fast delivery of new government programs, including payments to businesses and individuals. This has provided timely support to the community but increased the risk that some payments may not go to the most appropriate people.

Our recent report to parliament—*Queensland Government response to COVID-19* (Report 3: 2020–21)—highlighted the importance of government-led programs being supported by sound controls to manage additional risks, as well as effective governance and leadership.

QRIDA has provided almost \$1 billion in loans under the COVID-19 Jobs Support Loan Scheme to businesses in need. Given the uncertain economic conditions, it is difficult to estimate the ability of these businesses to repay the loans.

More than 11,000 applications were received over five days for round one of another pandemic-related program—Small Business COVID-19 Adaption Grants, provided by the Department of Employment, Small Business and Training. Additional support and new processes were established to respond to the demand for the grants.

Also, to help businesses with cash flow, the government has reduced the time it takes to pay non-government suppliers—from 19 days to four days.

## Strong information systems controls are critical

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The number of cyber attacks has doubled this year. Cyber criminals are attempting to take advantage of the disruption caused by COVID-19 to steal sensitive information and valuable assets. Information systems must be protected by people and processes with strong security practices.

This continues to be the area where we identify most issues, particularly in relation to access to systems. Entities cannot take a 'set and forget' approach. They must update their systems promptly to respond to changes within their entity and to remain protected from external threats.

# Recommendations for entities

Use recent financial statement preparation experiences, including responses to the COVID-19 pandemic, to identify improvements and plan for the year ahead (all entities)

## REC 1

We recommend all entities use their recent financial statement preparation experiences to update their initial self-assessment against the maturity model available on our [website](#). This should include reflection on the process changes made in response to the COVID-19 pandemic, and planning early for the 2020–21 financial statements, given the uncertainty about what challenges the year ahead might bring. Where areas for improvement are identified, each entity should establish an implementation plan, with oversight by its audit committee.

Where a machinery of government change has resulted in functions moving between departments, departments should conduct a review to align their financial statement preparation processes within the new department and reassess the maturity of those processes.

Improve timeliness of financial statements being made publicly available (relevant ministers and central agencies)

## REC 2

We continue to encourage relevant ministers and central agencies to explore opportunities for releasing the audited financial statements of public sector entities in a more timely way. This could be by specifying the maximum number of days between financial statement certification and tabling (as has been done for Queensland local governments, with one month to table their annual report in council), or by allowing entities to publish financial statements on their websites prior to the tabling of their annual reports in parliament.

Strengthen the security of information systems (all entities)

## REC 3

We recommend all entities strengthen the security of their information systems. They rely heavily on technology, and increasingly, they must be prepared for cyber attacks. Any unauthorised access could result in fraud or error, and significant reputational damage. Their workplace culture, through their people and processes, must emphasise strong security practices to provide a foundation for the security of information systems.

Entities should:

- provide security training for employees so they understand the importance of maintaining strong information systems, and their roles in keeping them secure
- assign employees only the minimum access required to perform their job, and ensure important stages of each process are not performed by the same person
- regularly review user access to ensure it remains appropriate
- monitor activities performed by employees with privileged access (allowing them to access sensitive data and create and configure within the system) to ensure they are appropriately approved
- implement strong password practices and multifactor authentication (for example, a username and password, plus a code sent to a mobile), particularly for systems that record sensitive information
- encrypt sensitive information to protect it
- patch vulnerabilities in systems in a timely manner, as upgrades and solutions are made available by software providers to address known security weaknesses that could be exploited by external parties.

Entities should also self-assess against all of the recommendations in *Managing cyber security risks* (Report 3: 2019–20) to ensure their systems are appropriately secured.

Verify changes to supplier and employee information to prevent fraud (all entities)	
<u>REC 4</u>	We recommend all entities ensure requests to change employee and supplier bank account details are verified using independently sourced information and reviewed by a person who is not involved in processing the change.
Promptly review employee payments (all entities)	
<u>REC 5</u>	All entities need to ensure managers: have ready access to payroll reports that are easy to use and contain all required information; understand the importance of reviewing these reports in a timely manner each fortnight; and have a consistent and efficient process for documenting their review.
Automate financial approvals and monitoring of internal controls (all entities)	
<u>REC 6</u>	All entities need to ensure their systems and processes (internal controls) are set up so financial approval occurs correctly in the financial system. They also need to invest in tools that will promptly detect breakdowns in internal controls.
Ongoing compliance with financial accountability requirements following a machinery of government change (departments)	
<u>REC 7</u>	When a machinery of government change occurs and functions move between departments, departments should promptly conduct a review to ensure consistency of fundamental processes (such as approvals) and compliance with the <i>Financial Accountability Act 2009</i> and the Financial Accountability Handbook.



# 1. Entities in this report

This report includes the results of financial audits for all Queensland government entities. These entities are listed in appendices C and G. Given the effect the COVID-19 pandemic has had in 2020, this report also explores how Queensland government entities have addressed the risks of rapidly delivering new pandemic-related programs.

**Figure 1A**  
Queensland state government entities



Note: \* This does not include entities exempted from audit by the Auditor-General under Appendix E and entities not preparing financial reports under Appendix F.

Source: Queensland Audit Office.

The report includes our evaluation of the financial reporting of departments, and our assessment of their controls over financial systems and processes—with learnings for all state government entities.

**Figure 1B**  
Queensland government departments as at 30 June 2020\*



Note: \*Department names and responsibilities were changed by *Administrative Arrangements Order (No.2) 2020* made by Governor in Council on 12 November 2020. This report reflects the departments that existed during 2019–20.

Source: Queensland Audit Office.

Our assessment of the financial reporting and internal controls of water, energy, transport and health entities are included in our sector reports on our [website](#).



## 2. Rapid response to support business through COVID-19

The Queensland Government announced a range of measures in response to the COVID-19 pandemic. Our report to parliament—*Queensland Government response to COVID-19* (Report 3: 2020–21)—gave an overview of measures announced up to 21 August 2020.

These include two significant initiatives designed to support businesses in Queensland—the COVID-19 Jobs Support Loan Scheme and the Small Business COVID-19 Adaption Grants. These two initiatives were delivered by two entities included in this report. In this chapter, we assess how they have addressed the risk of delivering new programs in a short time frame during the pandemic.

### Chapter snapshot

#### Support for businesses—more than \$4.6 bil.

##### COVID-19 Jobs Support Loan Scheme—\$1 bil. program

- 6,928 loans have been approved as at 31 October 2020.
- Cafés and restaurants were the largest beneficiaries, receiving 441 loans (\$63.3 mil.) as at 31 October 2020.
- The risk of loans not being repaid is higher due to uncertain economic conditions. This risk could not be reliably estimated as at 30 June 2020.

##### Small Business COVID-19 Adaption Grants—\$196 mil. program

- Round one was over-subscribed, and applications closed within five days.
- Processes were updated in response to high demand.
- 78% of round one applications were successful.
- Half of the second round of funding (\$50 mil.) was directed to regional areas.

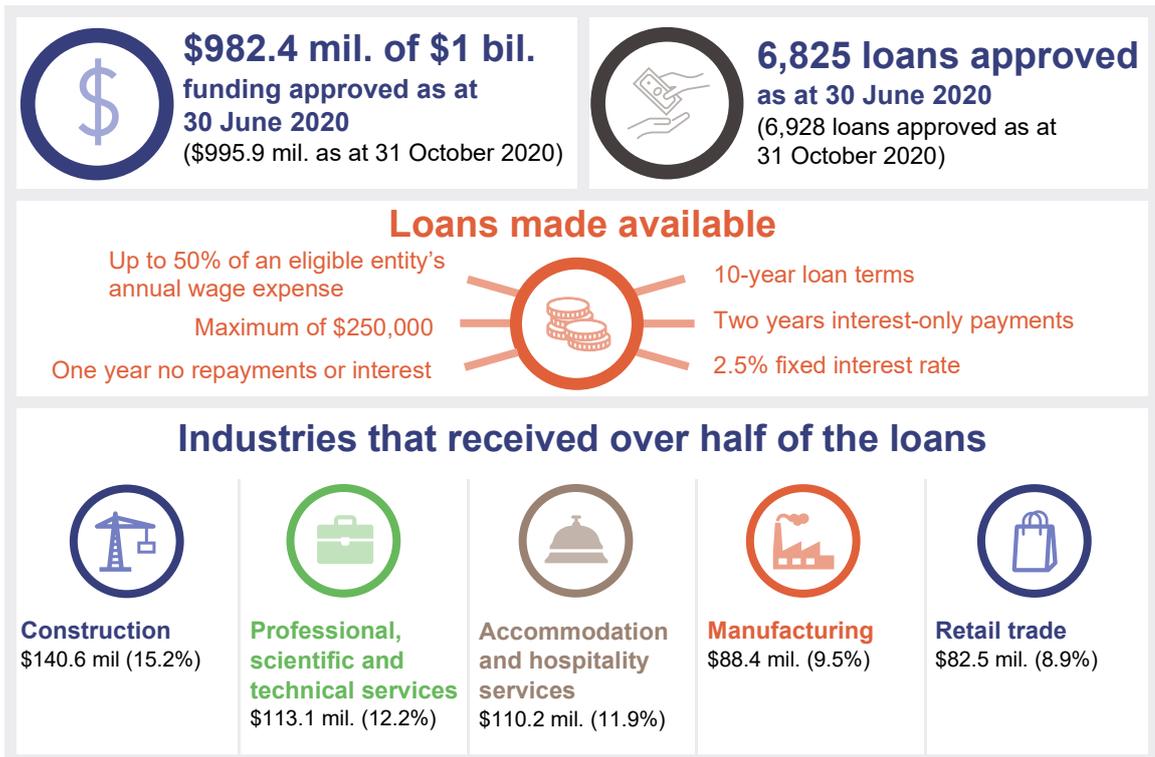
### Rapid delivery of COVID-19 Jobs Support Loan Scheme

The Queensland Government provided the \$1 billion COVID-19 Jobs Support Loan Scheme to help Queensland businesses and non-profit organisations financially impacted by COVID-19. A priority of the scheme, administered by the Queensland Rural and Industry Development Authority (QRIDA), was to assist businesses as quickly as possible so they could retain employees and continue operations under the extraordinary economic conditions.

To achieve this, the processes were simplified and QRIDA temporarily expanded its workforce to rapidly assess the high volume of loan applications received.

The scheme opened to applications on 26 March 2020 and by 30 June 2020 QRIDA had approved 6,825 applications (88.1 per cent of total applications were approved) for \$982.4 million.

**Figure 2A**  
**Overview of COVID-19 Jobs Support Loan Scheme**



Note: Loans reported per industry are as at 30 June 2020.

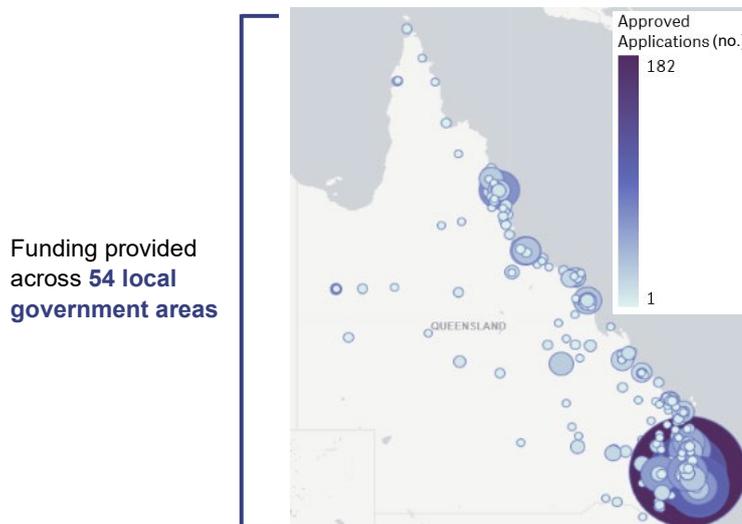
Source: Queensland Audit Office.

While loans were provided across the state, there was a high concentration of approved loans in South East Queensland, as shown in Figure 2B. This is in line with the high concentration of Queensland’s registered businesses in South East Queensland.

**Figure 2B**  
**Location of approved applicants**

**Loans by locality**

Colour—count of applications. Size—loan value.



Top five local government areas to receive loans as at 31 October 2020:

- Brisbane—\$340.89 mil.
- Gold Coast—\$159.96 mil.
- Sunshine Coast—\$74.96 mil.
- Moreton Bay—\$60.74 mil.
- Logan—\$45.71 mil.

Source: Queensland Audit Office.

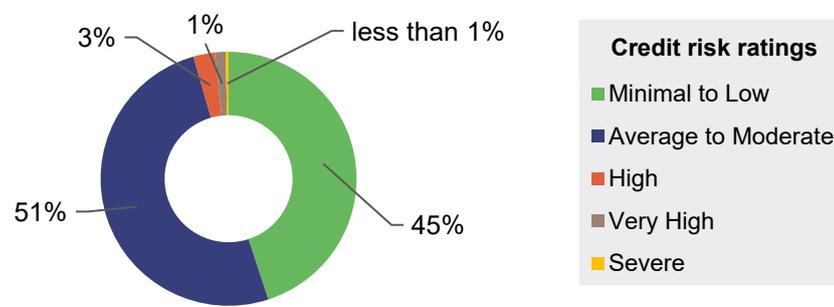


## Risk of loans not being fully repaid due to uncertain economic conditions

When governments provide immediate relief in response to disasters and emerging events, it is not unusual for them to streamline regular assessment processes to allow for faster payment. While QRIDA still applied eligibility criteria for the COVID-19 Jobs Support Loan Scheme, it had a greater tolerance than usual for applicants with a high risk of not being able to repay the loan.

In undertaking its assessment, QRIDA reviewed loan documentation including financial information provided, contacted applicants directly to discuss their business and COVID-19 impact, and also obtained the credit risk rating of applicants from an independent data provider. Figure 2C shows the percentage of approved loans grouped by credit risk rating. A lower risk rating suggests a good chance of repayment, while other ratings indicate that this may prove more challenging. While most loans were approved to businesses with a low to moderate risk rating, five per cent of businesses assessed as high risk or worse received loans, as shown in Figure 2C.

**Figure 2C**  
Breakdown of number of loans issued by credit risk rating at 30 June 2020



Source: Queensland Audit Office.

As the COVID-19 Jobs Support Loan Scheme was only launched in March 2020, and no repayments are required during the first year of the loan, the impact of the COVID-19 pandemic on the future financial viability of the loan recipients is not yet known.

QRIDA provided analysis and an estimate of the loans that would be repaid in the future. Given the uncertain economic conditions, we determined this estimate could not be relied on and qualified our audit opinion on QRIDA's 2019–20 financial statements.

## High demand for Small Business COVID-19 Adaption Grants

The Small Business COVID-19 Adaption Grants program provided up to \$10,000 for small businesses subject to closure or highly impacted by the COVID-19 shutdown restrictions. It was intended to assist those businesses to adapt and sustain their operations and build resilience.

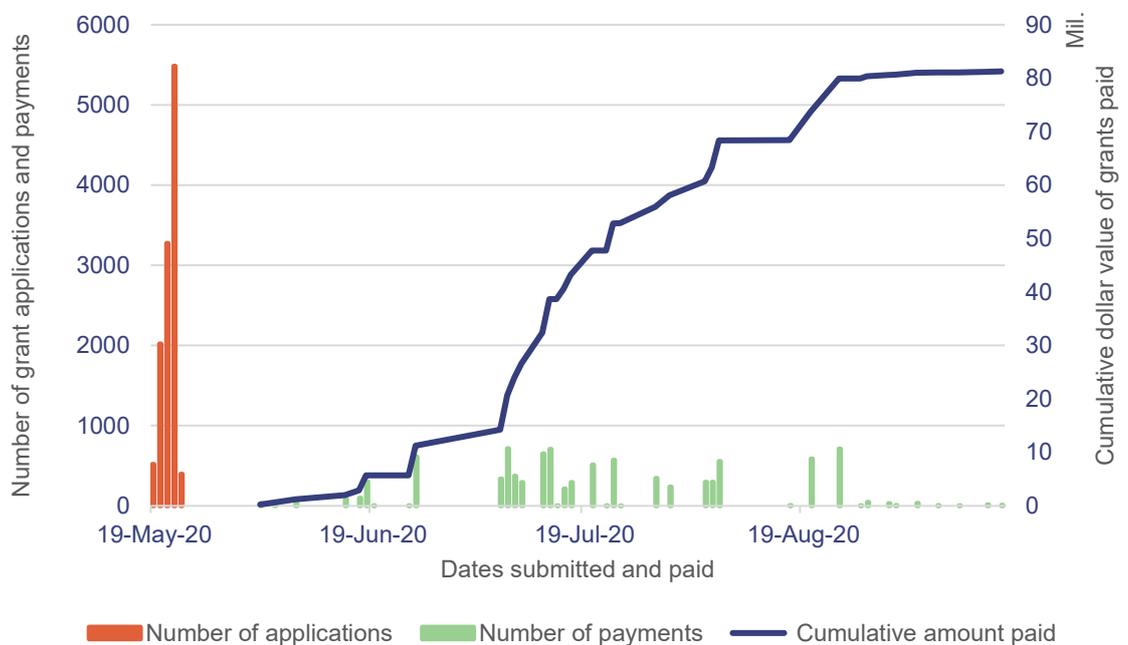
To achieve this, the grants had to be assessed and paid quickly. However, given strong demand for the program, the applications also had to be assessed fairly, so the right businesses received the available funding.

The Department of Employment, Small Business and Training (the department) managed the first round of funding, which opened on 19 May 2020, with \$96 million available. The department aimed to achieve a balance between speed and accuracy in assessing applications by:

- using its existing grants system and reassigning employees from across the department and other government entities to assist with assessing the high volume of grant applications
- developing clear program guidelines, including eligibility criteria against which each application was assessed, to ensure criteria were met before payments were approved.

Applications for round one closed within five days, with 11,702 applications submitted and over 100 per cent of the available funds requested. The department made payments promptly once the required documentation was provided and grants were approved. Most payments were made progressively over the three months after the funding round was closed to applications, as shown in Figure 2D.

**Figure 2D**  
**Applications received and payments made under round one of the Small Business COVID-19 Adaption Grants program**



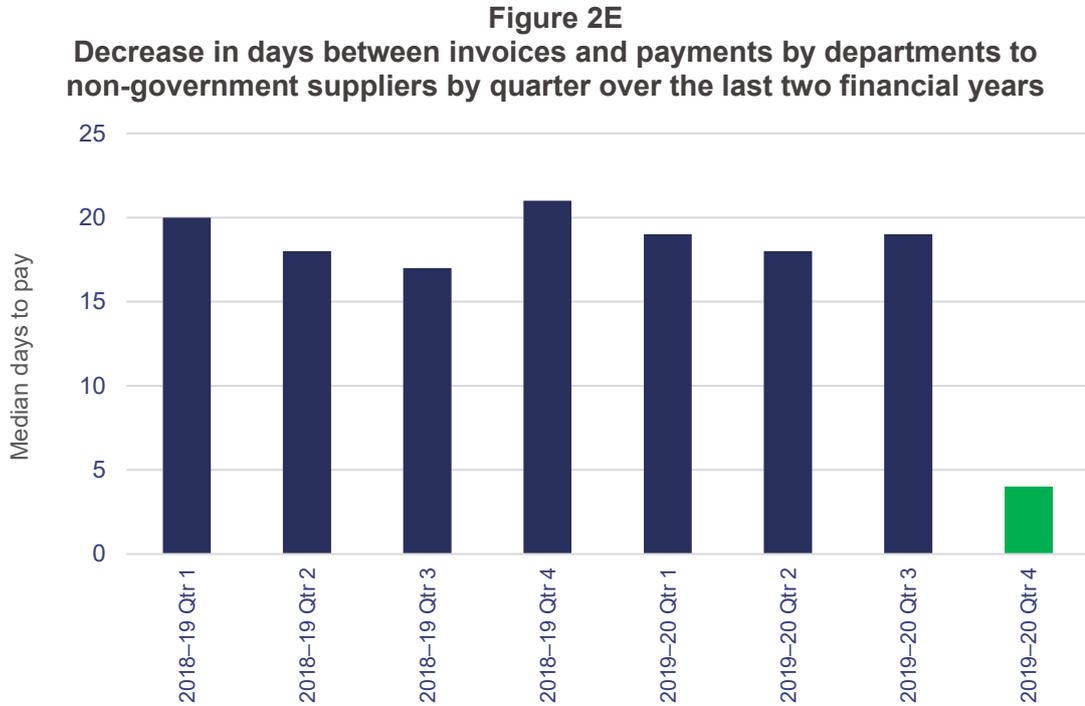
Source: Queensland Audit Office.

The department had difficulties gathering the information it needed to assess the applications. Also, not all employees had experience in assessing these types of grant applications. To simplify matters, the department made arrangements with other government entities to access information they held about the applicants. This reduced the information applicants had to provide and improved the automation of the assessment process. The department also implemented additional review processes.

In response to the high demand, a second round of funding was opened on 1 July 2020, with \$100 million available. Half of this funding will be directed to regional small businesses located outside of South East Queensland. The Queensland Rural and Industry Development Authority is administering this round on behalf of the department.

## Faster payment of supplier invoices

In response to the COVID-19 pandemic, the Queensland Government reduced government payment times to small business to assist with their cash flow. Figure 2E shows the significant decrease in the time departments took to pay non-government suppliers in the final months of 2019–20.



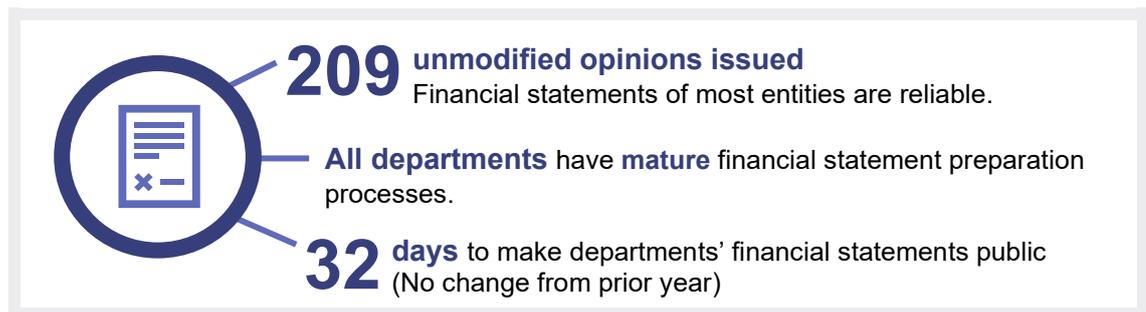
Source: Queensland Audit Office, compiled from department invoices and payments.



## 3. Results of our audits

This chapter provides an overview of the audit opinions we issued for each Queensland state government entity. It assesses the maturity of departments' processes for preparing financial statements. It also evaluates the timeliness with which departments' financial statements are made public.

### Chapter snapshot



### Audit opinion results for all state entities

This year, most Queensland state government entities continued to prepare good quality financial statements that were certified by their legislative deadline. This was a significant achievement in light of the disruption caused by the COVID-19 pandemic. This was the result of sound financial reporting practices established over many years. Entities should continue to build on these practices, as they plan for an uncertain year ahead.

We issued unmodified audit opinions for 95 per cent of the 2019–20 financial statements audited (2018–19: 96 per cent) at 31 October 2020. All the departments, government owned corporations, and most of the statutory bodies received unmodified audit opinions, which indicates the results reported in their financial statements can be relied upon. Appendix C lists the audit opinions we issued for 220 entities in 2020.

#### DEFINITION

We express an **unmodified opinion** when the financial statements are prepared in accordance with the relevant legislative requirements and Australian accounting standards.

We express a **modified opinion** when financial statements do not comply with the relevant legislative requirements and Australian accounting standards and, as a result, are not accurate and reliable.

**Figure 3A**  
**Audit opinions issued for Queensland state public sector entities for 2019–20**

Entity type	Unmodified opinions	Modified opinions	Opinions not yet issued
Departments and entities they control (controlled entities)	32	0	0
Government owned corporations and controlled entities	16	0	0
Statutory bodies and controlled entities	114	11	8
Jointly controlled entities	34	0	1
Entities audited by arrangement	13	0	0
<b>Total</b>	<b>209</b>	<b>11</b>	<b>9</b>

Source: Queensland Audit Office.

## Modified audit opinions

We issued 11 modified opinions in 2019–20 (2018–19: eight). These included three disclaimers (meaning the financial statements cannot be relied on) and eight qualified opinions (issued when the financial statements are fairly presented, with the exception of a specified area).

The disclaimers relate to small water boards, while the qualified opinions relate to two hospital foundations, four water entities, a training college, and a development authority. The qualifications relate to incorrect values of property, plant and equipment; unrecorded liabilities; inability to confirm the accuracy and completeness of revenue; and inability to reliably estimate the recoverability of loans.

## Emphasis of matter

We included an emphasis of matter in our audit reports on 40 financial statements (2018–19: 40), to highlight areas we believe users need to be aware of. This did not modify the audit opinion. We highlighted that:

- only certain accounting standards were used in the preparation of the reports, and the reports were not intended for other users
- uncertainty exists over whether an entity is going to be able to pay its debts as and when they fall due
- an entity has been dissolved.

## Opinions not yet issued

Appendix G lists those entities whose audits are not yet complete. Most of these entities are water boards or improvement trusts that did not meet the legislative deadline of 31 August.

## Finalisation of overdue financial statements

We also issued 19 of the 30 audit opinions for financial statements from prior years that were outstanding as at 31 October 2019. The remaining 11 continued to be outstanding as at 31 October 2020. The 19 audit opinions we issued included two qualified and two disclaimed opinions on small water boards, relating to the valuation of property, plant and equipment assets, and the basis of financial statement preparation. Appendix H provides details about these audit opinions.

## Entities exempted from audit by the Auditor-General

This year, six Queensland state government entities were exempted from audit by the Auditor-General (2018–19: 12). This occurs where the Auditor-General deems an entity to be small and of low risk to the Queensland Government as a whole. Exempt entities are still required to engage an appropriately qualified person to audit their financial statements. Appendix E lists the entities, and the reasons for their exemptions.

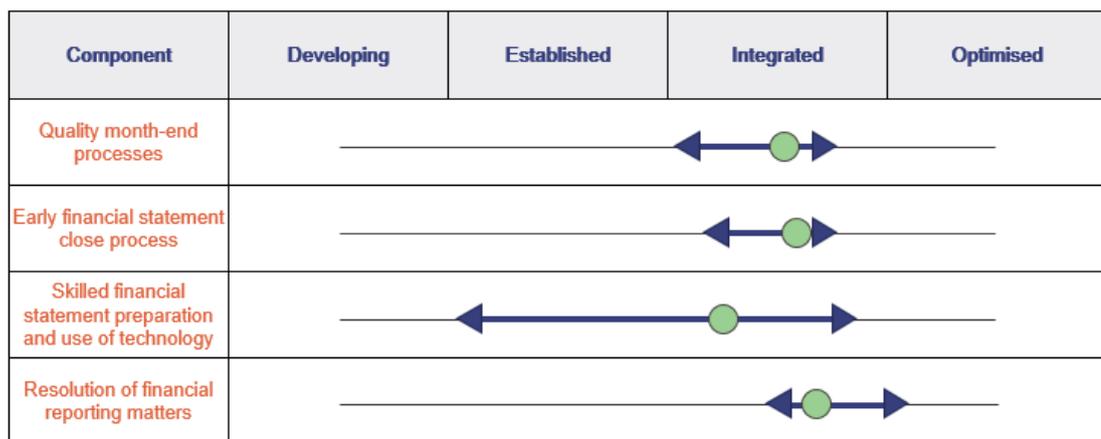
## Entities not preparing financial statements

Not all Queensland public sector entities produce financial statements. This year, 140 entities were not required, either by legislation or the accounting standards, to prepare financial statements (2018–19: 184). We have identified them in Appendix F.

## Departments have mature financial statement preparation processes in place

This year, we worked with state government entities as they undertook an initial self-assessment of their financial statement preparation processes using the maturity model on our [website](#). Departments assessed their preparation processes as mature, which means they support the timely preparation of good quality financial statements.

**Figure 3B**  
Self-assessments against the financial statement preparation maturity model for 22 departments



Average of responses      Average range of responses

Note: Assessments were performed during 2019–20 for departments that existed at the beginning of that financial year. Since these assessments were performed, machinery of government changes were announced in May and November 2020 that changed department names and responsibilities.

Source: Queensland Audit Office.



Most of the large and well-established departments have more mature processes in place. Some smaller departments, and those more recently affected by machinery of government changes (prior to 2020), assessed their processes as being less mature, but appropriate for them. Processes are often tailored to suit the size of the entity.

Strengths across the sector included:

- timely valuations for property, plant and equipment and infrastructure assets, with clear instructions provided to valuation experts and robust reviews of their reports
- continuous refinement of financial statements to reflect operations and the needs of users
- good engagement with auditors on financial reporting issues, improvements to processes, and upcoming accounting standards.

Almost half of the departments identified an opportunity to improve their monthly reporting through analysis that provides better insights into the reason for differences between budgeted and actual financial results. This is particularly challenging for large entities with diverse operations across the state.

Financial statements are commonly prepared using spreadsheets and word processing tools. Most entities consider these to be fit for purpose, but they recognise there may be opportunities to further automate the preparation of financial statements.

#### **Recommendation for all entities**

Use recent financial statement preparation experiences, including responses to the COVID-19 pandemic, to identify improvements and plan for the year ahead (REC 1)

We recommend all entities use their recent financial statement preparation experiences to update their initial self-assessment against the maturity model available on our [website](#). This should include reflection on the process changes made in response to the COVID-19 pandemic, and planning early for the 2020–21 financial statements, given the uncertainty about what challenges the year ahead might bring. Where areas for improvement are identified, each entity should establish an implementation plan, with oversight by its audit committee.

Where a machinery of government change has resulted in functions moving between departments, departments should conduct a review to align their financial statement preparation processes within the new department and reassess the maturity of those processes.

## Delay in public release of financial statements

Despite the significant disruption caused by the COVID-19 pandemic, all departments and most state government entities managed to prepare good quality financial statements that were certified by the legislative deadline of 31 August 2020.

Notwithstanding the hard work by entities and QAO to achieve compliance with statutory reporting deadlines at a time of disruption, delays continue between the date state entity financial statements are certified and the date they are tabled in parliament by the relevant minister as part of the entity's annual report.

A delay in publishing the financial statements can mean the information is no longer as relevant as it could be, because time has moved on. Events may occur between the date of signing and the date of tabling that require the financial statements to be reassessed and possibly re-signed.

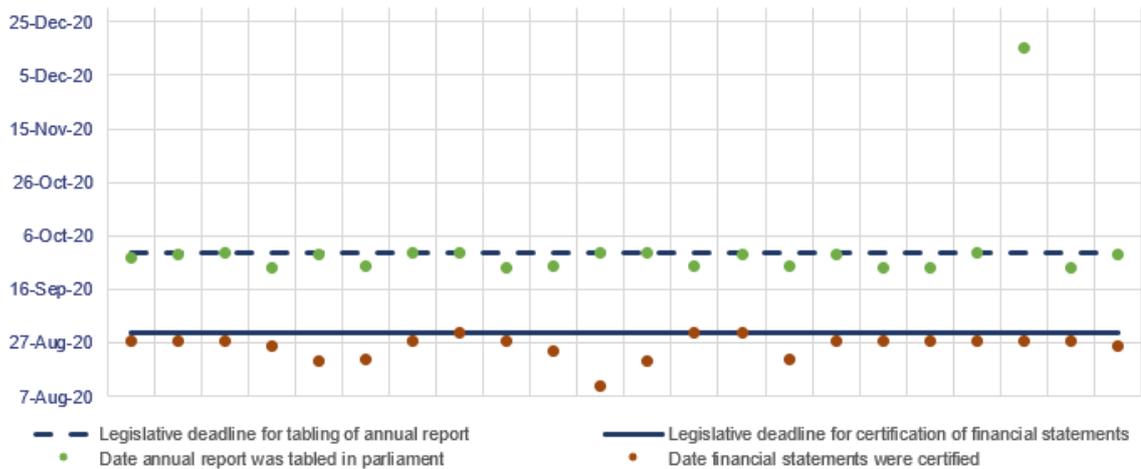
Ministers are required to table the annual reports of departments and statutory bodies (including their financial statements) in parliament within three months of year end. Until they do this, departments and statutory bodies are not able to publish their financial statements.

There was no change from the previous year in the average time taken to make departments' financial statements public by tabling the annual report in parliament (being 32 days after the statements were certified). Once ministers received departmental annual reports, on average they took 21 days to review the reports before tabling them in parliament. Similar delays also exist in making the financial statements of statutory bodies and government owned corporations publicly available.

These averages exclude one department's annual report, which was tabled on 15 December 2020—after the legislative tabling deadline of 30 September and 109 days after its annual financial statements were certified.

All but one of the departmental annual reports were tabled over a six-day period at the end of September 2020, starting two days earlier than in 2019.

**Figure 3C**  
**Dates for certification and publication of financial statements for 22 departments**



Source: Queensland Audit Office.

**Recommendation for relevant ministers and central agencies**

**Improve timeliness of financial statements being made publicly available (REC 2)**

We continue to encourage relevant ministers and central agencies to explore opportunities for releasing the audited financial statements of public sector entities in a more timely way. This could be by specifying the maximum number of days between financial statement certification and tabling (as has been done for Queensland local governments, with one month to table their annual report in council), or by allowing entities to publish financial statements on their websites prior to the tabling of their annual reports in parliament.



# 4. Internal controls at state entities

We assessed whether the systems and processes (internal controls) entities use to prepare financial statements are effective. The strength of an entity’s internal controls is driven by the quality of its people, systems, and processes. Strong internal controls can ensure an entity achieves its objectives, prepares reliable financial reports, and complies with applicable laws. Key features of an effective internal control framework include:

- strong governance that promotes accountability and supports strategic and operational objectives
- secure information systems that maintain data integrity
- comprehensive, relevant policies and procedures that are clear and concise
- regular monitoring and internal audit reviews.

While we focus primarily on departments, we have identified common issues that all entities should consider.

In this chapter, we also consider how government entities have maintained their internal controls during a time of changing work arrangements and increasing cyber attacks.

## Chapter snapshot

Agencies modified business processes as they transitioned to staff working from home. **Internal controls** for most departments **continued to be effective** throughout the pandemic.

### Increase in issues identified this year

**9 significant deficiencies**  
(high-risk matters that require immediate action) raised with departments during the year  
(four in 2018–19)



**79 deficiencies**  
(low-risk matters that can be corrected over time) raised with departments during the year  
(77 in 2018–19)

**Most prior year issues have been resolved**

### The same common weaknesses as last year

Weaknesses in **information systems**, increasing the risk of successful cyber attacks

A lack of independent checking of **changes to supplier and employee details**

A lack of review of **payroll monitoring reports**

Weaknesses in **supplier payment processes**

**Cyber attacks** have **doubled** since the start of the pandemic. Additional monitoring of departments’ networks has been performed to detect and defend against attacks.

## Maintaining internal controls during a period of significant change

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Most entities made the transition to staff working from home in March 2020 to comply with COVID-19 restrictions and support social distancing. We are now seeing a combination of staff working from home and in the office as restrictions ease.

These changes in working arrangements increased the risk of controls failing, due to changes in business processes (including increased reliance on technology—for example, allowing remote access, and using electronic signatures) and reduced capacity for oversight.

### The government shared service provider adapted well to staff working from home

Queensland Shared Services (QSS) provides a range of payroll, accounts payable and information systems services to the vast majority of the departments. As such, it had a major role to play in dealing with the changes associated with staff working from home.

QSS enacted plans in March 2020 to ensure services were maintained and Queensland Government employees and suppliers continued to be paid during the pandemic. These plans involved:

- prioritising critical activities to be performed by a combination of remotely working and socially distanced, office-based staff
- modifying business processes so they could be performed remotely
- implementing secure technologies to facilitate remote access
- engaging widely with customers, stakeholders, and partners to ensure there was a shared understanding of these plans, and that all suppliers had appropriate strategies in place to respond to COVID-19.

These actions meant that, from a service delivery perspective, QSS was able to maintain business as usual. Our testing of its internal controls confirmed that they continued to be implemented appropriately as at 30 June 2020.

## Internal controls are generally effective, but common weaknesses continue

---

We assessed the internal controls used by departments and found most can be relied on for preparing financial statements. However, we identified and reported more issues to departments this year than we did last year. They are the same types of issues as last year. Entities need to ensure they have established appropriate internal controls in these areas.



## Strengthen security of information systems

**Figure 4A**  
**Identified weaknesses in information systems**

**Security of information systems has been the most common internal control weakness across the public sector for some years.**

**6** significant deficiencies and **27** deficiencies in 2019–20 related to:

- ineffective management of user access to systems
- no monitoring of system access
- poor password practices
- ineffective system design that did not protect data from deletion.

*Source: Queensland Audit Office.*

An entity's information systems are used extensively to process the information for preparing financial statements. Weaknesses in information systems controls increase the risk of undetected errors or potential financial loss, including from fraud.

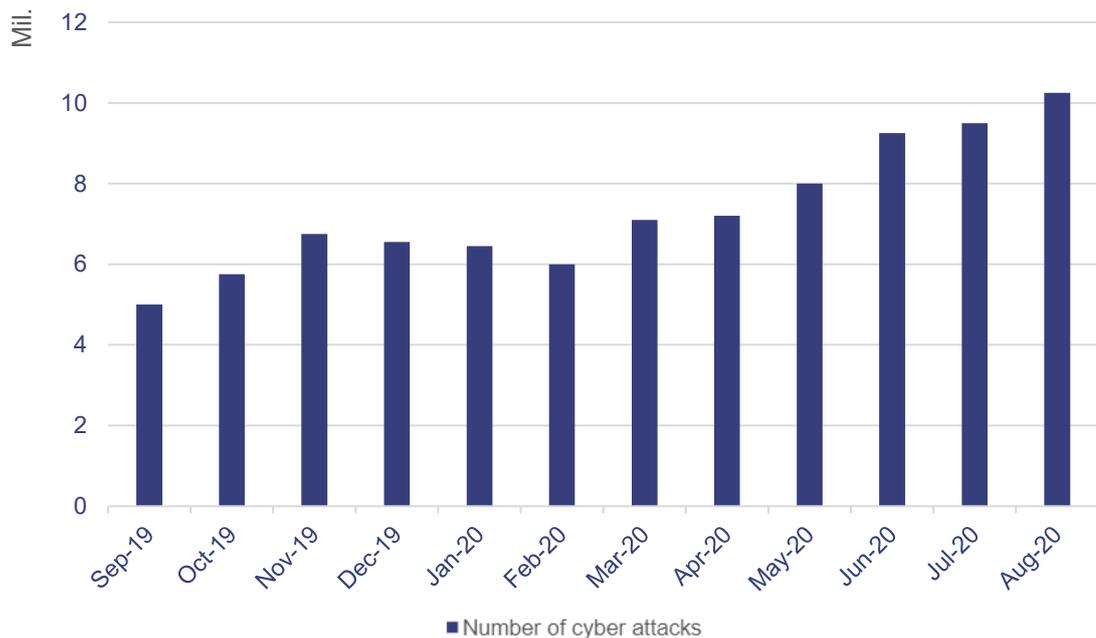
All entities across the public sector need their people and processes to have strong security practices, so that information systems are promptly updated—to respond to changes within their entity and to ensure the systems remain protected from external threats.

Most weaknesses in information systems occur because entities do not have well established processes to keep their systems up to date. Entities cannot take a 'set and forget' approach to information systems. They must be vigilant, and respond promptly to change, for example:

- when an employee resigns or their responsibilities change, their access to information systems needs to be removed or updated
- most systems have regular updates from the system supplier. These need to be tested and installed to ensure known security weaknesses are removed.

This year there has been a dramatic increase in external attacks, as cyber criminals attempt to take advantage of changes in working arrangements necessitated by the COVID-19 pandemic. Figure 4B shows the increase in cyber attacks since September 2019, with a significant and sustained escalation since the start of the pandemic in February 2020.

**Figure 4B**  
**Monthly cyber attacks have doubled over the 12 months to August 2020**



Source: CITEC—whole-of-government internet gateway monitoring.

There has also been a significant increase in phishing across the private and public sectors. Phishing scams trick people into providing confidential information through email or message platforms. For the year to July 2020, the average number of phishing attacks increased by nearly 200 per cent, with attacks in August 2020 increasing by more than 800 per cent to over 8 million—the highest number recorded in a month in the Queensland public sector.

CITEC’s Queensland Government Cyber Security Operations Centre provides the first defence in the Queensland Government’s cyber protection and plays a role in coordinating incident responses across agencies. CITEC reported that it has:

- successfully blocked an average of 66,000 malicious domain name system requests per minute. These attempt to divert internet traffic away from legitimate servers toward fake ones
- defended against an average of 30,000 cyber attacks per day that aim to shut down a system or network
- implemented a service that monitors departmental networks and generates alerts for any potential incident.

Cyber threats will continue and are likely to increase. Protecting the Queensland Government from them requires all entities to remain vigilant in managing their cyber security risks. Security is like a chain: one weak point can disrupt the integrity of the whole structure. Cyber security is only as strong as the weakest link.

**Recommendation for all entities**

Strengthen the security of information systems (REC 3)

We recommend all entities strengthen the security of their information systems. They rely heavily on technology, and increasingly, they must be prepared for cyber attacks. Any unauthorised access could result in fraud or error, and significant reputational damage.

Their workplace culture, through their people and processes, must emphasise strong security practices to provide a foundation for the security of information systems.

Entities should:

- provide security training for employees so they understand the importance of maintaining strong information systems, and their roles in keeping them secure
- assign employees only the minimum access required to perform their job, and ensure important stages of each process are not performed by the same person
- regularly review user access to ensure it remains appropriate
- monitor activities performed by employees with privileged access (allowing them to access sensitive data and create and configure within the system) to ensure they are appropriately approved
- implement strong password practices and multifactor authentication (for example, a username and password, plus a code sent to a mobile), particularly for systems that record sensitive information
- encrypt sensitive information to protect it
- patch vulnerabilities in systems in a timely manner, as upgrades and solutions are made available by software providers to address known security weaknesses that could be exploited by external parties.

Entities should also self-assess against all of the recommendations in *Managing cyber security risks* (Report 3: 2019–20) to ensure their systems are appropriately secured.

## Independently check changes to supplier and employee details

Fraudsters continue to target the Queensland public sector. As mentioned earlier, there has been a significant increase in phishing scams noted since the start of the COVID-19 pandemic. These scams often involve emails requesting fraudulent changes to bank account details for both employees and suppliers. We continue to identify weaknesses in entities' controls for independently verifying and regularly monitoring changes to supplier and employee bank account details.

**Recommendation for all entities**

Verify changes to supplier and employee information to prevent fraud (REC 4)

We recommend all entities ensure requests to change employee and supplier bank account details are verified using independently sourced information and reviewed by a person who is not involved in processing the change.

## Review payroll monitoring reports

Payroll reports are used across departments to assist managers in ensuring the validity and accuracy of employee payments. We commonly find these reports are not checked in a timely manner, or at all. This increases the risk that errors, or fraudulent transactions such as invalid payments for overtime or allowances, will not be detected.

**Recommendation for all entities**

Promptly review employee payments (REC 5)

All entities need to ensure managers: have ready access to payroll reports that are easy to use and contain all required information; understand the importance of reviewing these reports in a timely manner each fortnight; and have a consistent and efficient process for documenting their review.



## Address weaknesses in supplier payment processes

We identified instances where payments were not approved in accordance with an entity's financial delegations, and duplicate payments to suppliers had occurred.

Most finance systems are set up to automatically send transactions to a financial delegate for approval. But this is dependent on systems being promptly updated when employees change positions, so their financial delegations in the systems are correct. These automated processes must be consistently used and not overridden based on approvals that occur outside the system.

Entities should also invest in tools to promptly detect errors or fraudulent payments, including duplicate transactions and those that have not been correctly approved.

### Recommendation for all entities

Automate financial approvals and monitoring of internal controls (REC 6)

All entities need to ensure their systems and processes (internal controls) are set up so financial approval occurs correctly in the financial system. They also need to invest in tools that will promptly detect breakdowns in internal controls.

## Machinery of government changes can impact the effective operation of internal controls

Machinery of government changes were announced on 12 November 2020 that changed department names and responsibilities. This resulted in two departments being abolished and one new department created, with a total of 21 functions transferred between departments. Six departments were not impacted by these machinery of government changes.

The transfer of functions between departments can include the transfer of employees, assets and liabilities, information technology (IT) systems and applications, and controlled entities. It can take many months (and sometimes years) for the receiving department to fully integrate new functions into the department through the updating of policies, procedures and processes, and the alignment of IT systems.

While departments are experienced in managing machinery of government changes, during any period of change there is an increased risk of governance processes and internal controls not operating effectively, particularly when different systems and processes continue to be used within an entity.

### Recommendation for departments

Ongoing compliance with financial accountability requirements following a machinery of government change (REC 7)

When a machinery of government change occurs and functions move between departments, departments should promptly conduct a review to ensure consistency of fundamental processes (such as approvals) and compliance with the *Financial Accountability Act 2009* and the Financial Accountability Handbook.



# Appendices

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# A. Full responses from entities

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As mandated in Section 64 of the *Auditor-General Act 2009*, the Queensland Audit Office gave a copy of this report with a request for comments to the:

- Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities
- Under Treasurer, Queensland Treasury
- directors-general of the 20 government departments
- accountable officer for Queensland Rural and Industry Development Authority.

We also provided a copy of this report to the Premier and Minister for Trade; Treasurer and Minister for Investment; and Director-General, Department of the Premier and Cabinet with an invitation to respond.

This appendix contains the formal responses that we received.

The heads of these entities are responsible for the accuracy, fairness, and balance of their comments.



## Comments received from Director-General, Department of Education



Queensland  
Government

Office of the  
Director-General

Department of  
Education

22 DEC 2020

Mr Brendan Worrall  
Auditor-General  
Email: [gao@qao.qld.gov.au](mailto:gao@qao.qld.gov.au)

Dear Mr Worrall *Brendan*

Thank you for your email dated 1 December 2020 enclosing a draft copy of your report titled *State entities 2020* for my comments prior to tabling in Parliament next year.

I appreciate the opportunity to make comments and provide feedback. After consideration, I accept the report as it appears in your draft.

In particular, I note the content of the report and your recommendations and the Department of Education will implement these recommendations, where required.

The department's Audit and Risk Management Committee will monitor any required actions to address your recommendations.

Should your officers wish to discuss this matter further, I invite them to contact [REDACTED]

I trust this information is of assistance.

Yours sincerely

A handwritten signature in black ink that reads 'Tony Cook'.

**TONY COOK**  
Director-General

Ref: 20/753534

Level 37 1WS  
1 William Street Brisbane  
Queensland 4000 Australia  
PO Box 15033 City East  
Queensland 4002 Australia  
Telephone +61 7 3034 4754  
Facsimile +61 7 3034 4769  
Website [www.qed.qld.gov.au](http://www.qed.qld.gov.au)  
ABN 76 337 613 647

## Comments received from Commissioner, Queensland Corrective Services



Office of the  
**Commissioner**  
**Queensland**  
**Corrective Services**

Ref: QCS-05041-2020

13 JAN 2021

Mr Brendan Worrall  
Auditor-General  
Queensland Audit Office  
qao@qao.qld.gov.au

Dear Mr Worrall

Thank you for your email of 1 December 2020 about the proposed *State Entities 2020* report to Parliament.

Queensland Corrective Services (QCS) acknowledges the proposed report and appreciates the opportunity to review. QCS has no specific feedback other than to confirm our commitment to further assess insights and recommendations made within the proposed and final report in order to continue to strengthen our own internal control environment.

If you require further information regarding this matter, please contact [REDACTED]

I trust that this information is helpful to you.

Yours sincerely

A blue ink signature of Peter Martin APM, Commissioner of Queensland Corrective Services.

Peter Martin APM  
**Commissioner**

QCS Headquarters  
L21 Northbank Plaza  
69 Ann Street Brisbane  
GPO Box 1054 Brisbane  
Queensland 4001 Australia  
**Telephone +61 7 3565 7675**  
ABN 61 993 700 400



## Comments received from Director-General, Department of Children, Youth Justice and Multicultural Affairs



Office of the  
**Director-General**

Department of  
**Children, Youth Justice  
and Multicultural Affairs**

Our reference: CYJMA 06446-2020

15 January 2021

Mr Brendan Worrall  
Auditor-General  
Queensland Audit Office  
qao@qao.qld.gov.au

Dear Mr Worrall

Thank you for providing me with a copy of your report regarding the 2019–20 financial audits of Queensland state government entities.

The Department of Children, Youth Justice and Multicultural Affairs remains committed to continually improving its annual financial reporting processes as evidenced by the financial statement preparation maturity assessment and an unqualified audit result.

I note that your report includes seven recommendations for all state entities to consider. The department will review each of these recommendations and existing internal controls to identify if further action is required. The results of this analysis will be reported to the department's Audit and Risk Committee.

If you require any further information or assistance in relation to this matter, please contact

I trust this information is of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read "D Mulkerin".

Deidre Mulkerin  
**Director-General**

1 William Street  
Brisbane Queensland 4000  
Locked Bag 3405  
Brisbane Queensland 4001 Australia  
**General Enquiries**  
**Telephone +61 7 3097 8602**  
**Email** [DGOffice@csyw.qld.gov.au](mailto:DGOffice@csyw.qld.gov.au)  
**Website** [www.csyw.qld.gov.au](http://www.csyw.qld.gov.au)

## Comments received from Director-General, Department of Employment, Small Business and Training



Department of  
Employment,  
Small Business  
and Training

27 JAN 2021

Our Ref: 03252/20

Mr Brendan Worrall  
Auditor-General  
Queensland Audit Office  
Email: [gao.mail@gao.qld.gov.au](mailto:gao.mail@gao.qld.gov.au)

Dear Mr Worrall

*Brendan*

Thank you for your email dated 1 December 2020 regarding the State Entities 2020 proposed report to Parliament.

Following a review of the report, I accept its findings and recommendations and thank you for the opportunity to provide comment. The report provides useful information that my department will use to focus on further strengthening security of information systems and internal controls.

Should you require any further information, please contact [REDACTED]

Yours sincerely

A handwritten signature in black ink, appearing to read "Warwick Agnew".

Warwick Agnew  
Director-General

27.1.2021

1 William Street Brisbane  
Queensland 4000 Australia  
PO Box 15483 City East  
Queensland 4002 Australia

ABN 84 375 484 963



## Comments received from Under Treasurer, Queensland Treasury



Queensland Treasury

Our Ref: 05889-2020

Mr Brendan Worrall  
Auditor-General of Queensland  
Queensland Audit Office  
PO Box 15396  
CITY EAST QLD 4002

Email: qao.mail@qao.qld.gov.au

Dear Mr Worrall

Thank you for your email of 1 December 2020 and draft report to Parliament on State entities' financial statements for 2020.

I appreciate the opportunity to comment on your report before its tabling.

I note your recommendations on pages 3 and 4 of the report and will bring these to the attention of Treasury's Audit and Risk Management Committee.

In relation to **Recommendation 2 Improve timeliness of financial statements being made publicly available**, Treasury undertakes to communicate to Chief Finance Officers encouraging them to table their departmental annual reports at the earliest opportunity rather than waiting for the legislative deadline of 30 September.

If you require any further information, please contact [REDACTED]

Yours sincerely

A handwritten signature in blue ink that reads "Rachel Hunter".

Rachel Hunter  
Under Treasurer

28 / 1 / 2021

1 William Street  
GPO Box 611 Brisbane  
Queensland 4001 Australia  
Telephone +61 7 3035 1933  
Website [www.treasury.qld.gov.au](http://www.treasury.qld.gov.au)  
ABN 90 856 020 239

## B. Legislative context

### Frameworks

Entities prepare their financial statements in accordance with the following legislative frameworks and reporting deadlines.

**Figure B1**  
**Legislative frameworks for Queensland state public sector entities**

Entity type	Legislative framework	Legislative deadline
Departments	<ul style="list-style-type: none"> <li>• <i>Financial Accountability Act 2009</i></li> <li>• Financial and Performance Management Standard 2019</li> </ul>	31 August 2020
Statutory bodies	<ul style="list-style-type: none"> <li>• <i>Financial Accountability Act 2009</i></li> <li>• Financial and Performance Management Standard 2019</li> <li>• <i>Statutory Bodies Financial Arrangements Act 1982</i></li> <li>• Each statutory body also has its own enabling legislation</li> </ul>	31 August 2020
Government owned corporations	<ul style="list-style-type: none"> <li>• <i>Government Owned Corporations Act 1993</i></li> <li>• Government Owned Corporations Regulations 2014</li> <li>• <i>Corporations Act 2001</i></li> <li>• Corporations Regulations 2001</li> </ul>	31 August 2020
Controlled entities that are companies	<ul style="list-style-type: none"> <li>• <i>Corporations Act 2001</i></li> <li>• Corporations Regulations 2001</li> </ul>	31 October 2020
Controlled entities that are charities and not-for-profits	<ul style="list-style-type: none"> <li>• <i>Australian Charities and Not-for-profits Commission Act 2012</i></li> <li>• Australian Charities and Not-for-profits Commission Regulation 2013</li> </ul>	31 December 2020
Controlled entities that are trusts	<ul style="list-style-type: none"> <li>• Trust deed</li> </ul>	As stipulated in the trust deed

Note: Controlled entity—an entity owned by one or more public sector entities.

Source: Queensland Audit Office.

## Accountability requirements

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The *Financial Accountability Act 2009* applicable to state public sector entities requires these entities to:

- achieve reasonable value for money by ensuring the operations of the entity are carried out efficiently, effectively, and economically
- establish and maintain appropriate systems of internal control and risk management
- establish and keep funds and accounts that comply with the relevant legislation, including Australian accounting standards.

## Queensland state government financial statements

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Each year, Queensland state public sector entities must table their audited financial statements in parliament.

These financial statements are used by a broad range of parties including parliamentarians, taxpayers, employees, and users of government services. For these statements to be useful, the information reported must be relevant and accurate.

The Auditor-General's audit opinion on these entities' financial statements assures users that the statements are accurate and in accordance with relevant legislative requirements.

We express an *unmodified opinion* when the financial statements are prepared in accordance with the relevant legislative requirements and Australian accounting standards.

We *modify* our audit opinion when financial statements do not comply with the relevant legislative requirements and Australian accounting standards and are not accurate and reliable. A *qualification* is a form of modified audit opinion, and is issued when the financial statements as a whole comply with relevant accounting standards and legislative requirements, with the exceptions noted in the opinion.

Sometimes we include an *emphasis of matter* in our audit reports to highlight an issue that will help users better understand the financial statements. It does not change the audit opinion.



## C. Audit opinions for entities preparing financial reports

The following table details the audit opinions we issued in accordance with Australian auditing standards.

Unless otherwise stated, the financial year end of these entities is 30 June 2020. The legislative deadline refers to the date by which the financial statements are required to be audited. Where a legislative deadline is indicated with a dash, no deadline applies for that specific entity.

The table also identifies the entities that had a key audit matter included in their independent auditor's report. Key audit matters are those that, in our professional judgement, were of most significance in the audit of the financial statements. These matters mostly relate to major events and transactions that occur during the period, and those areas requiring significant accounting judgement and estimation, for example, the valuation of property, plant and equipment. We address these matters in the context of the audit of the financial report as a whole and in forming our opinion. We do not provide a separate opinion on these matters.

Audit opinions have been grouped by Queensland ministers and portfolios existing at 12 November 2020. The portfolios reflect changes announced in *Administrative Arrangements Order (No.2) 2020* made by Governor in Council on 12 November 2020.

### Premier and Minister for Trade

Responsibilities include the overall management of Queensland, Cabinet and its committees, coordinating government communication, policy development, governance, legislative drafting and publishing, protocol, intergovernmental relations, screen industry development, veterans' affairs, investment facilitation, trade development, and overall public service management.

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Anzac Day Trust	31.08.2020	30.07.2020	No	Unmodified
Department of the Premier and Cabinet	31.08.2020	20.08.2020	No	Unmodified
Legislative Assembly and Parliamentary Service	31.08.2020	26.08.2020	No	Unmodified
Office of the Governor	31.08.2020	05.08.2020	No	Unmodified
Premier's Disaster Relief Appeal Fund	–	22.10.2020	No	Unmodified
Public Service Commission	31.08.2020	20.08.2020	No	Unmodified
Screen Queensland Pty Ltd	31.10.2020	12.08.2020	No	Unmodified
Trade and Investment Queensland	31.08.2020	31.08.2020	No	Unmodified

Source: Queensland Audit Office.

## Deputy Premier and Minister for State Development, Infrastructure, Local Government and Planning

Responsibilities include state development, economic development, major project impact assessment, strategic planning for priority industry sectors, capital works and program monitoring, integrated resort developments and global tourism hubs, urban growth, land use planning, local government, and the recovery and reconstruction of Queensland following natural disaster events.

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Building Queensland	31.08.2020	31.08.2020	No	Unmodified
Department of Local Government, Racing and Multicultural Affairs *	31.08.2020	24.08.2020	No	Unmodified
Department of Regional Development and Manufacturing **	31.08.2020	24.08.2020	No	Unmodified
Department of State Development, Tourism and Innovation ***	31.08.2020	31.08.2020	Yes	Unmodified
Queensland Reconstruction Authority	31.08.2020	18.08.2020	No	Unmodified
Queensland Treasury ****	31.08.2020	26.08.2020	Yes	Unmodified
South Bank Corporation	31.08.2020	31.08.2020	No	Unmodified
South Bank Employing Office	31.08.2020	25.08.2020	No	Unmodified

Note: \* Department of Local Government, Racing and Multicultural Affairs also included under Minister for Education, Minister for Industrial Relations and Minister for Racing; and Minister for Children and Youth Justice and Minister for Multicultural Affairs. \*\* Department of Regional Development and Manufacturing also included under Minister for Regional Development and Manufacturing and Minister for Water. \*\*\* Department of State Development, Tourism and Innovation also included under Minister for Tourism Industry Development and Innovation and Minister for Sport; and the Treasurer and Minister for Investment. \*\*\*\* Queensland Treasury also included under Treasurer and Minister for Investment.

Source: Queensland Audit Office.



## Treasurer and Minister for Investment

Responsibilities include the state budget, taxation, economic policy, government owned enterprises, insurance, and mineral and petroleum royalties.

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Brisbane Port Holdings Pty Ltd	–	12.08.2020	No	Unmodified
DBCT Holdings Pty Ltd	–	12.08.2020	No	Unmodified
Department of State Development, Tourism and Innovation *	31.08.2020	31.08.2020	Yes	Unmodified
Motor Accident Insurance Commission	31.08.2020	27.08.2020	No	Unmodified
Nominal Defendant	31.08.2020	27.08.2020	No	Unmodified
QGOF 63G Trust	–	27.08.2020	No	Unmodified
QIC Absolute Return Bond Fund	–	24.09.2020	No	Unmodified
QIC Alternative Beta Fund	–	24.09.2020	No	Unmodified
QIC Alternative Investment Trust	–	24.09.2020	No	Unmodified
QIC Australian Fixed Interest Fund	–	27.08.2020	No	Unmodified
QIC Cash Enhanced Fund	–	27.08.2020	No	Unmodified
QIC Cash Fund	–	27.08.2020	No	Unmodified
QIC Direct Opportunities Fund	–	24.09.2020	No	Unmodified
QIC Diversified Australian Equities Fund	–	24.09.2020	No	Unmodified
QIC Diversified Fixed Interest Fund	–	24.09.2020	No	Unmodified
QIC Diversified Infrastructure Fund No. 2	–	27.08.2020	–	Unmodified
QIC GFI Inflation Plus Fund **	–	25.03.2020	No	Unmodified
QIC Global Credit Fund	–	24.09.2020	No	Unmodified
QIC Global Credit Income Fund	–	24.09.2020	No	Unmodified
QIC Global Credit Opportunities Fund	–	24.09.2020	No	Unmodified
QIC Global Strategy Trust No. 2A	–	27.08.2020	No	Unmodified
QIC Government Office Fund No. 1	–	27.08.2020	No	Unmodified
QIC Growth Fund	–	24.09.2020	No	Unmodified



Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
QIC Infrastructure Mandate No. 1 Trust	–	27.08.2020	No	Unmodified
QIC Infrastructure Mandate Trust No. 1A	–	27.08.2020	No	Unmodified
QIC Infrastructure Portfolio No. 1 Trust	–	27.08.2020	No	Unmodified
QIC Infrastructure Portfolio No. 2 Trust	–	27.08.2020	No	Unmodified
QIC International Equities Fund	–	24.09.2020	No	Unmodified
QIC Limited	31.08.2020	27.08.2020	Yes	Unmodified
QIC Liquid Alternatives Fund	–	24.09.2020	No	Unmodified
QIC Liquid Alternatives Fund (H)	–	24.09.2020	No	Unmodified
QIC Private Capital Pty Ltd	31.10.2020	27.08.2020	No	Unmodified
QIC Private Equity Fund (DF)	–	24.09.2020	No	Unmodified
QIC Private Equity Fund (W)	–	24.09.2020	No	Unmodified
QIC Private Equity Fund No. 1	–	24.09.2020	No	Unmodified
QIC Private Equity Fund No. 2	–	24.09.2020	No	Unmodified
QIC Private Equity Fund No. 3	–	24.09.2020	No	Unmodified
QIC Private Equity Fund No. 5	–	24.09.2020	No	Unmodified
QIC Short Term Income Fund	–	24.09.2020	No	Unmodified
QIC Strategy Fund No. 2	–	27.08.2020	No	Unmodified
QICP Pty Ltd (previously QIC Properties Pty Ltd)	31.10.2020	27.08.2020	No	Unmodified
QLQ Real Property Holding Trust	–	24.09.2020	No	Unmodified
Queensland Competition Authority	31.08.2020	21.08.2020	No	Unmodified
Queensland Investment Trust No. 2	–	24.09.2020	No	Unmodified
Queensland Lottery Corporation Pty Ltd	–	12.08.2020	No	Unmodified
Queensland Productivity Commission	31.08.2020	21.08.2020	No	Unmodified
Queensland Treasury ***	31.08.2020	26.08.2020	Yes	Unmodified
Queensland Treasury Corporation	31.08.2020	21.08.2020	Yes	Unmodified

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Queensland Treasury Holdings Pty Ltd	31.10.2020	12.08.2020	No	Unmodified
The National Injury Insurance Agency Queensland	31.08.2020	28.08.2020	No	Unmodified

Note: \* Department of State Development, Tourism and Innovation also included under Minister for Tourism Industry Development and Innovation and Minister for Sport; and Deputy Premier and Minister for State Development, Infrastructure, Local Government and Planning. \*\* QIC GFI Inflation Plus Fund ceased operations on 12 December 2019. \*\*\* Queensland Treasury also included under Deputy Premier and Minister for State Development, Infrastructure, Local Government and Planning.

## Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence

Responsibilities include justice administration; courts; registration of births, deaths and marriages; Legal Aid; fair trading and consumer protection; incorporation of associations, lotteries, keno and wagering; occupational licensing; registration of charitable and community purpose organisations; the Public Trustee; women's policy; and prevention of domestic and family violence.

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Crime and Corruption Commission	31.08.2020	24.08.2020	No	Unmodified
Department of Child Safety, Youth and Women *	31.08.2020	28.08.2020	Yes	Unmodified
Department of Justice and Attorney-General	31.08.2020	28.08.2020	Yes	Unmodified
Electoral Commission of Queensland	31.08.2020	20.08.2020	No	Unmodified
Law Claims Levy Fund	31.08.2020	28.08.2020	No	Unmodified
Legal Aid Queensland	31.08.2020	21.08.2020	No	Unmodified
Legal Practitioners Admissions Board	31.08.2020	31.08.2020	No	Unmodified
Legal Practitioners' Fidelity Guarantee Fund	31.08.2020	28.08.2020	No	Unmodified
Office of the Information Commissioner	31.08.2020	26.08.2020	No	Unmodified
Office of the Ombudsman	31.08.2020	11.08.2020	No	Unmodified
Professional Standards Council	31.08.2020	25.08.2020	No	Unmodified
Prostitution Licensing Authority	31.08.2020	07.08.2020	No	Unmodified



Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Public Trustee of Queensland Growth Trust	31.10.2020	26.08.2020	No	Unmodified
QCF Management Co. Ltd	30.09.2020	14.10.2020	No	Unmodified
QLS Solicitor Support Pty Ltd	–	28.08.2020	No	Unmodified
Queensland Community Foundation	31.12.2020	29.09.2020	No	Unmodified
Queensland Family and Child Commission	31.08.2020	20.08.2020	No	Unmodified
Queensland Human Rights Commission	31.08.2020	31.08.2020	No	Unmodified
Queensland Law Society Incorporated	31.08.2020	28.08.2020	No	Unmodified
Supreme Court Library Committee	31.08.2020	31.08.2020	No	Unmodified
The Forde Foundation	31.12.2020	29.09.2020	No	Unmodified
The Gladstone Foundation	31.12.2020	29.09.2020	No	Unmodified
The Lady Bowen Trust	31.12.2020	29.09.2020	No	Unmodified
The Public Trustee of Queensland	31.08.2020	26.08.2020	No	Unmodified
The Queensland Aboriginal and Torres Strait Islander Foundation	31.12.2020	29.09.2020	No	Unmodified

Note: \* Department of Child Safety, Youth and Women also included under Minister for Children and Youth Justice and Minister for Multicultural Affairs; and Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs.

Source: Queensland Audit Office.

## Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities

Responsibilities include biosecurity, agriculture, animal welfare, food and fibre industry development, and rural economic development.

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Darling Downs–Moreton Rabbit Board	31.08.2020	27.08.2020	No	Unmodified
Department of Agriculture and Fisheries	31.08.2020	28.08.2020	Yes	Unmodified
Queensland Agricultural Training Colleges *	–	18.06.2020	No	Qualified

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Queensland Rural and Industry Development Authority	31.08.2020	09.09.2020	No	Qualified
Safe Food Production Queensland	31.08.2020	31.08.2020	No	Unmodified

Note: \* Queensland Agricultural Training Colleges was abolished on 29 February 2020.

Source: Queensland Audit Office.

## Minister for Children and Youth Justice and Minister for Multicultural Affairs

Responsibilities include adoption, child protection services, youth justice, the redress scheme for Queensland survivors of institutional child sexual abuse, and multicultural affairs.

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Department of Child Safety, Youth and Women *	31.08.2020	28.08.2020	Yes	Unmodified
Department of Local Government, Racing and Multicultural Affairs **	31.08.2020	24.08.2020	No	Unmodified
Department of Youth Justice	31.08.2020	28.08.2020	Yes	Unmodified

Note: \* Department of Child Safety, Youth and Women also included under Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence; and Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs. \*\* Department of Local Government, Racing and Multicultural Affairs also included under Deputy Premier and Minister for State Development, Infrastructure, Local Government and Planning; and Minister for Education, Minister for Industrial Relations and Minister for Racing.

Source: Queensland Audit Office.

## Minister for Communities and Housing, Minister for Digital Economy and Minister for the Arts

Responsibilities include community care, community recovery, community services, social inclusion, homelessness, housing services, cyber security operations and management, digital economy, open data, government information and communication technology policy and planning, shared services systems, archives, and the arts.

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Board of the Queensland Museum	31.08.2020	27.08.2020	No	Unmodified
Department of Communities, Disability Services and Seniors *	31.08.2020	26.08.2020	Yes	Unmodified
Department of Environment and Science **	31.08.2020	28.08.2020	Yes	Unmodified



Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Department of Housing and Public Works ***	31.08.2020	31.08.2020	Yes	Unmodified
Library Board of Queensland	31.08.2020	21.08.2020	No	Unmodified
Queensland Art Gallery Board of Trustees	31.08.2020	26.08.2020	No	Unmodified
Queensland Library Foundation	31.08.2020	31.08.2020	No	Unmodified
Queensland Museum Foundation Trust	31.08.2020	27.08.2020	No	Unmodified
Queensland Performing Arts Trust	31.08.2020	26.08.2020	No	Unmodified
Residential Tenancies Authority	31.08.2020	26.08.2020	No	Unmodified
Residential Tenancies Employing Office	31.08.2020	26.08.2020	No	Unmodified

Note: \* Department of Communities, Disability Services and Seniors also included under Minister for Seniors and Disability Services and Minister for Aboriginal and Torres Strait Islander Partnerships. \*\* Department of Environment and Science also included under Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs. \*\*\* Department of Housing and Public Works also included under Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement; and Minister for Tourism Industry Development and Innovation and Minister for Sport.

Source: Queensland Audit Office.

## Minister for Education, Minister for Industrial Relations and Minister for Racing

Responsibilities include state schooling, early childhood education and care, higher education, non-state school funding, industrial relations, employment policies and programs, workers' compensation, workplace health and safety, and racing.

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Building and Construction Industry (Portable Long Service Leave) Authority (trading as QLEAVE)	31.08.2020	26.08.2020	No	Unmodified
Contract Cleaning Industry (Portable Long Service Leave) Authority	31.08.2020	27.08.2020	No	Unmodified
Department of Education	31.08.2020	20.08.2020	Yes	Unmodified
Department of Local Government, Racing and Multicultural Affairs *	31.08.2020	24.08.2020	No	Unmodified
Non-State Schools Accreditation Board	31.08.2020	06.08.2020	No	Unmodified
Queensland Curriculum and Assessment Authority	31.08.2020	28.08.2020	No	Unmodified

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Queensland Education Leadership Institute Limited	31.10.2020	28.10.2020	No	Unmodified
Queensland Racing Integrity Commission	31.08.2020	17.08.2020	No	Unmodified
Racing Queensland Board	31.08.2020	31.08.2020	No	Unmodified
WorkCover Employing Office	31.08.2020	27.08.2020	No	Unmodified
WorkCover Queensland	31.08.2020	27.08.2020	Yes	Unmodified

Note: \* Department of Local Government, Racing and Multicultural Affairs also included under Deputy Premier and Minister for State Development, Infrastructure, Local Government and Planning; and Minister for Children and Youth Justice and Minister for Multicultural Affairs.

Source: Queensland Audit Office.

## Minister for Employment and Small Business and Minister for Training and Skills Development

Responsibilities include employment, vocational education and training, skills and workforce development, and small business advocacy and resilience.

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Aviation Australia Pty Ltd	31.08.2020	27.08.2020	No	Unmodified
BCITF (Qld) Limited (trading as Construction Skills Queensland)	31.10.2020	31.08.2020	No	Unmodified
Building and Construction Industry Training Fund (Qld)	–	31.08.2020	No	Unmodified
Department of Employment, Small Business and Training	31.08.2020	21.08.2020	Yes	Unmodified
TAFE Queensland	31.08.2020	28.08.2020	No	Unmodified

Source: Queensland Audit Office.



## Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement

Responsibilities include energy, regulation of electricity and gas sectors, biofuels, clean energy, energy industry development, hydrogen, renewable energy, building and plumbing standards, government buildings, government purchasing, licencing and regulation of the Queensland building industry, property facilities management for government and major projects, and urban design and architecture.

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Board of Architects of Queensland	31.08.2020	31.08.2020	No	Unmodified
Board of Professional Engineers of Queensland	31.08.2020	26.08.2020	No	Unmodified
Cairns Convention Centre	–	28.08.2020	No	Unmodified
CleanCo Queensland Limited*	31.08.2020	31.08.2020	Yes	Unmodified
CS Energy Limited*	31.08.2020	28.08.2020	Yes	Unmodified
Department of Housing and Public Works**	31.08.2020	31.08.2020	Yes	Unmodified
Department of Natural Resources, Mines and Energy **	31.08.2020	11.08.2020	Yes	Unmodified
Energy and Water Ombudsman Queensland	31.08.2020	17.08.2020	No	Unmodified
Energy Queensland Limited*	31.08.2020	21.08.2020	Yes	Unmodified
Ergon Energy Queensland Pty Ltd*	31.10.2020	18.08.2020	Yes	Unmodified
Gold Coast Convention and Exhibition Centre	–	24.09.2020	No	Unmodified
Queensland Building and Construction Commission	31.08.2020	28.08.2020	No	Unmodified
Queensland Building and Construction Employing Office	31.08.2020	28.08.2020	No	Unmodified
Queensland Electricity Transmission Corp Limited (trading as Powerlink Queensland)*	31.08.2020	28.08.2020	No	Unmodified
Stanwell Corporation Limited*	31.08.2020	27.08.2020	Yes	Unmodified

Note: \* These entities are also included in the *Energy 2020* (Report 11: 2020–21) report to parliament. \*\* Department of Housing and Public Works also included under Minister for Communities and Housing, Minister for Digital Economy and Minister for the Arts; and Minister for Tourism Industry Development and Innovation and Minister for Sport. \*\* Department of Natural Resources, Mines and Energy also included under Minister for Regional Development and Manufacturing and Minister for Water; and Minister for Resources.

Source: Queensland Audit Office.



## Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs

Responsibilities include climate change policy, environmental planning and protection policy, the Great Barrier Reef, pollution and waste management, marine and national parks management, science strategy and youth affairs.

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Department of Child Safety, Youth and Women *	31.08.2020	28.08.2020	Yes	Unmodified
Department of Environment and Science **	31.08.2020	28.08.2020	Yes	Unmodified
Queensland Trust for Nature Fund	31.12.2020	18.11.2020	No	Unmodified

Note: \* Department of Child Safety, Youth and Women also included under Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence; and Minister for Children and Youth Justice and Minister for Multicultural Affairs. \*\* Department of Environment and Science also included under Minister for Communities and Housing, Minister for Digital Economy and Minister for the Arts.

## Minister for Health and Ambulance Services

Responsibilities include hospitals, public health, mental health, oral health, nursing homes and hostels, Aboriginal and Torres Strait Islander health, community health services, alcohol and drug services, disease surveillance, health rights and promotion, registration of health professionals and the ambulance service.

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Bundaberg Health Services Foundation	31.08.2020	21.10.2020	No	Unmodified
Cairns and Hinterland Hospital and Health Service	31.08.2020	28.08.2020	Yes	Unmodified
Central Queensland Hospital and Health Service	31.08.2020	31.08.2020	Yes	Unmodified
Central West Hospital and Health Service	31.08.2020	27.08.2020	Yes	Unmodified
Children's Health Queensland Hospital and Health Service	31.08.2020	27.08.2020	Yes	Unmodified
Children's Hospital Foundation Queensland	31.08.2020	31.08.2020	No	Unmodified
Darling Downs Hospital and Health Service	31.08.2020	26.08.2020	Yes	Unmodified
Department of Health	31.08.2020	28.08.2020	Yes	Unmodified

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Far North Queensland Hospital Foundation	31.08.2020	28.08.2020	No	Unmodified
Gold Coast Hospital and Health Service	31.08.2020	21.08.2020	Yes	Unmodified
Gold Coast Hospital Foundation	31.08.2020	26.08.2020	No	Qualified
Health and Wellbeing Queensland	31.08.2020	06.08.2020	No	Unmodified
Ipswich Hospital Foundation	31.08.2020	13.08.2020	No	Unmodified
Mackay Hospital and Health Service	31.08.2020	31.08.2020	Yes	Unmodified
Mackay Hospital Foundation	31.08.2020	31.08.2020	No	Unmodified
Metro North Hospital and Health Service	31.08.2020	26.08.2020	Yes	Unmodified
Metro South Hospital and Health Service	31.08.2020	21.08.2020	Yes	Unmodified
North West Hospital and Health Service	31.08.2020	28.08.2020	Yes	Unmodified
Office of the Health Ombudsman	31.08.2020	07.08.2020	No	Unmodified
PA Research Foundation	31.08.2020	31.08.2020	No	Unmodified
Queensland Mental Health Commission	31.08.2020	31.07.2020	No	Unmodified
Royal Brisbane and Women's Hospital Foundation	31.08.2020	31.08.2020	No	Unmodified
South West Hospital and Health Service	31.08.2020	31.08.2020	Yes	Unmodified
Sunshine Coast Health Foundation	31.08.2020	28.08.2020	No	Unmodified
Sunshine Coast Hospital and Health Service	31.08.2020	27.08.2020	Yes	Unmodified
The Council of the Queensland Institute of Medical Research	31.08.2020	28.08.2020	No	Unmodified
The Prince Charles Hospital Foundation	31.08.2020	27.08.2020	No	Unmodified
Toowoomba Hospital Foundation	31.08.2020	31.08.2020	No	Unmodified
Torres and Cape Hospital and Health Service	31.08.2020	24.08.2020	Yes	Unmodified
Townsville Hospital and Health Service	31.08.2020	24.08.2020	Yes	Unmodified
Townsville Hospital Foundation	31.08.2020	02.09.2020	No	Qualified

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
West Moreton Hospital and Health Service	31.08.2020	11.08.2020	Yes	Unmodified
Wide Bay Hospital and Health Service	31.08.2020	27.08.2020	Yes	Unmodified

Note: Entities in this portfolio are also included in the *Health 2020* (Report 12: 2020–21) report to parliament.

Source: Queensland Audit Office.

## Minister for Police and Corrective Services and Minister for Fire and Emergency Services

Responsibilities include the police service, adult corrective services, Queensland Government Air Services, state emergency service, fire and rescue services, rural fire services, and disaster management.

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Office of the Inspector-General of Emergency Management	31.08.2020	28.08.2020	No	Unmodified
Public Safety Business Agency	31.08.2020	28.08.2020	Yes	Unmodified
Queensland Corrective Services	31.08.2020	28.08.2020	Yes	Unmodified
Queensland Fire and Emergency Services	31.08.2020	28.08.2020	No	Unmodified
Queensland Police Service	31.08.2020	28.08.2020	No	Unmodified

Source: Queensland Audit Office.

## Minister for Regional Development and Manufacturing and Minister for Water

Responsibilities include regional economic development; cross sector coordination to enhance economic growth; manufacturing industry development; bulk water supply; regulation of water quality and supply continuity; management of water supply emergencies; catchment and water resource management; and water resource allocation, planning and management.

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Avondale Water Board	31.08.2020	17.08.2020	No	Unmodified
Babinda Swamp Drainage Board	31.08.2020	06.10.2020	No	Unmodified
Bollon West Water Authority	31.08.2020	06.08.2020	No	Disclaimer

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Bones Knob Water Board	31.08.2020	15.09.2020	No	Qualified
Callandoon Water Supply Board	31.08.2020	12.10.2020	No	Unmodified
Department of Natural Resources, Mines and Energy **	31.08.2020	11.08.2020	Yes	Unmodified
Department of Regional Development and Manufacturing ***	31.08.2020	24.08.2020	No	Unmodified
Don River Improvement Trust	31.08.2020	28.08.2020	No	Unmodified
Dumaresq-Barwon Border Rivers Commission	31.08.2020	27.08.2020	No	Unmodified
Fernlee Water Authority	31.08.2020	28.08.2020	No	Disclaimer
Gladstone Area Water Board *	31.08.2020	26.08.2020	No	Unmodified
Glamorgan Vale Water Board	31.08.2020	25.09.2020	No	Unmodified
Ingie Water Authority	31.08.2020	24.07.2020	No	Qualified
Ipswich Rivers Improvement Trust	31.08.2020	22.08.2020	No	Unmodified
Kaywana Bore Water Board	31.08.2020	11.09.2020	No	Qualified
Lower Burdekin Water	31.08.2020	28.08.2020	No	Unmodified
Lower Herbert Water Management Authority	31.08.2020	18.09.2020	No	Unmodified
Matthews Road Drainage Board	31.08.2020	30.10.2020	No	Disclaimer
Mount Isa Water Board *	31.08.2020	24.08.2020	No	Unmodified
Orchard Creek and East Euramo Drainage Board	31.08.2020	11.09.2020	No	Unmodified
Queensland Bulk Water Supply Authority (trading as Seqwater) *	31.08.2020	17.08.2020	Yes	Qualified
Roadvale Water Board	31.08.2020	16.10.2020	No	Unmodified
Scenic Rim River Improvement Trust	31.08.2020	15.09.2020	No	Unmodified
Silkwood Drainage Board	31.08.2020	31.07.2020	No	Unmodified
Stanthorpe Shire River Improvement Trust	31.08.2020	28.08.2020	No	Unmodified
State Council of River Trusts, Queensland Inc.	31.12.2020	23.08.2020	No	Unmodified
Sunwater Limited *	31.08.2020	24.08.2020	Yes	Unmodified
Warwick Shire River Improvement Trust	31.08.2020	18.08.2020	No	Unmodified

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Whitsunday River Improvement Trust	31.08.2020	17.08.2020	No	Unmodified
Yambocully Water Board	31.08.2020	17.08.2020	No	Unmodified

Note: \* These entities are also included in the *Water 2020* (Report 9: 2020–21) report to parliament. \*\* Department of Natural Resources, Mines and Energy also included under Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement; and Minister for Resources. \*\*\* Department of Regional Development and Manufacturing also included under Deputy Premier and Minister for State Development, Infrastructure, Local Government and Planning.

Source: Queensland Audit Office.

## Minister for Resources

Responsibilities include mining and petroleum, mine safety and health, Aboriginal and Torres Strait Islander land interests, and titles and land management.

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Department of Natural Resources, Mines and Energy *	31.08.2020	11.08.2020	Yes	Unmodified
Gasfields Commission Queensland	31.08.2020	27.08.2020	No	Unmodified
Valuers Registration Board of Queensland	31.08.2020	28.08.2020	No	Unmodified

Note: \* Department of Natural Resources, Mines and Energy also included under Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement; and Minister for Regional Development and Manufacturing and Minister for Water.

Source: Queensland Audit Office.

## Minister for Seniors and Disability Services and Minister for Aboriginal and Torres Strait Islander Partnerships

Responsibilities include carers; disability services; seniors; and Aboriginal and Torres Strait Islander cultural heritage, policy, rights and culture.

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Community Enterprise Queensland	31.08.2020	25.08.2020	No	Unmodified
Department of Aboriginal and Torres Strait Islander Partnerships	31.08.2020	28.08.2020	No	Unmodified
Department of Communities, Disability Services and Seniors *	31.08.2020	26.08.2020	Yes	Unmodified



Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Family Responsibilities Commission	31.08.2020	21.08.2020	No	Unmodified

Note: \* Department of Communities, Disability Services and Seniors also included under Minister for Communities and Housing, Minister for Digital Economy and Minister for the Arts.

Source: Queensland Audit Office.

## Minister for Tourism Industry Development and Innovation and Minister for Sport

Responsibilities include tourism development and promotion, tourism investment attraction, marketing and promotion of international education and training, entrepreneurship policy, innovation policy, major events, sport and recreation.

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Department of Housing and Public Works *	31.08.2020	31.08.2020	Yes	Unmodified
Department of State Development, Tourism and Innovation **	31.08.2020	31.08.2020	Yes	Unmodified
Gold Coast Events Management Ltd (trading as Events Management Queensland)	31.10.2020	28.08.2020	No	Unmodified
Stadiums Queensland	31.08.2020	28.08.2020	No	Unmodified
Tourism and Events Queensland	31.08.2020	27.08.2020	No	Unmodified
Tourism and Events Queensland Employing Office	31.08.2020	27.08.2020	No	Unmodified

Note: \* Department of Housing and Public Works also included under Minister for Communities and Housing, Minister for Digital Economy and Minister for the Arts; and Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement. \*\* Department of State Development, Tourism and Innovation also included under Deputy Premier and Minister for State Development, Infrastructure, Local Government and Planning; and the Treasurer and Minister for Investment.

Source: Queensland Audit Office.

## Minister for Transport and Main Roads

Responsibilities include land transport and safety, main roads, marine infrastructure, passenger and personalised transport, ports, railways, transport infrastructure and the Cross River Rail project.

Entity	Legislative deadline	Audit certification date	Key audit matter	Audit opinion type
Cross River Rail Delivery Authority *	31.08.2020	31.08.2020	No	Unmodified
Department of Transport and Main Roads *	31.08.2020	21.08.2020	Yes	Unmodified
Far North Queensland Ports Corporation Limited (trading as Ports North) *	31.08.2020	28.08.2020	Yes	Unmodified
Gladstone Ports Corporation Limited *	31.08.2020	13.08.2020	Yes	Unmodified
Gold Coast Waterways Authority	31.08.2020	11.08.2020	No	Unmodified
North Queensland Bulk Ports Corporation Limited *	31.08.2020	28.08.2020	Yes	Unmodified
Port of Townsville Limited *	31.08.2020	17.08.2020	Yes	Unmodified
Queensland Rail *	31.08.2020	28.08.2020	Yes	Unmodified
Queensland Rail Limited *	31.10.2020	28.08.2020	Yes	Unmodified
Transmax Pty Ltd	31.10.2020	23.10.2020	No	Unmodified

Note: \* These entities are also included in the *Transport 2020* (Report 10: 2020–21) report to parliament.

Source: Queensland Audit Office.



## D. Other audit and assurance opinions

We issued the following opinions for other large audit and assurance engagements performed for Queensland state government entities.

**Figure D1**  
**Other audit and assurance opinions issued**

Entity	Type of engagement	Title	Date opinion issued	Audit opinion type
Queensland Shared Services	Assurance audit	ASAE 3402 Assurance Report for the period 1 July 2019 to 31 March 2020 (Type 2)	28.05.2020	Unmodified
Queensland Shared Services	Assurance audit	ASAE 3402 Type 1 Assurance Report as at 30 June 2020	28.07.2020	Unmodified
CITEC	Assurance audit	ASAE 3402 Type 1 Assurance Report as at 31 March 2020	19.05.2020	Unmodified
Corporate Administration Agency	Assurance audit	ASAE 3402 Assurance Report Payroll and Information & Communication Technology for the period 1 July 2019 to 31 March 2020	14.05.2020	Unmodified
Corporate Administration Agency	Assurance audit	ASAE 3402 Assurance Report Accounts Payable and Information & Communication Technology Services for the period 1 July 2019 to 31 March 2020	14.05.2020	Unmodified
Queensland Reconstruction Authority	Special purpose financial report audit	Independent Auditor's Report for the purposes of fulfilling the reporting requirements of the National Disaster Relief and Recovery Arrangements Determination 2012 Version 2 and 2017 and the Disaster Recovery Funding Arrangements 2018	31.03.2020	Unmodified
Department of Local Government, Racing and Multicultural Affairs	Special purpose financial report audit	Report on the audit of the Statement of Payments	08.10.2020	Unmodified
QIC Limited	Assurance audit	2019-2020 QIC GS007 Report for the period 1 July 2019 to 30 June 2020	28.07.2020	Unmodified

Source: Queensland Audit Office.

## E. Entities exempted from audit by the Auditor-General

The Auditor-General approved exemptions for the following audits. Where an audit certification date or audit opinion type is indicated with a dash, no financial statements have yet been received for 2019–20.

**Figure E1**  
**Entities exempt from audit by the Auditor-General**

Entity	Audit firm	Audit certification date	Audit opinion type
<b>Small in size and low-risk entities exempt under section 30A of the Auditor-General Act 2009</b>			
Mt Gravatt Showgrounds Trust*	Ross Spranklin & Co	03.06.2020	Unmodified
Surveyors Board of Queensland	PKF Brisbane Audit	30.07.2020	Unmodified
The Board of Trustees of Newstead House	C & N Audit Services	28.08.2020	Unmodified
<b>Foreign-based controlled entities exempt under section 32 of the Auditor-General Act 2009</b>			
Lexon Insurance Pte Ltd	PWC Singapore	24.08.2020	Unmodified
QIC European Investment Services	KPMG	04.09.2020	Unmodified
QIC US Management Incorporated	KPMG	31.08.2020	Unmodified

Note: \* Year-end date 30 April.

Source: Queensland Audit Office.



## F. Entities not preparing financial reports

For each state public sector company, other than government owned corporations, the board of directors considers the requirements of the *Corporations Act 2001* to determine whether financial statements need to be prepared. The board must revisit the assessment every three years or whenever a significant change occurs.

When entities are part of a larger group and are secured by a guarantee with other entities in that group (that they will cover their debts), Australian Securities and Investments Commission allows them to not prepare a financial report. In addition, dormant or small companies that meet specific criteria under the *Corporations Act 2001* are not required to prepare financial statements. They appear in Figure F1 as 'non-reporting'.

Accordingly, the Auditor-General will not issue audit opinions for the following controlled public sector entities for 2020, as they were not required to produce financial statements.

**Figure F1**  
**Entities not producing financial statements**

Public sector entity	Reason for not preparing financial statements
<b>Energy</b>	
<b>Controlled entities of CS Energy Limited</b>	
Aberdare Collieries Pty Ltd	Deed of cross guarantee ASIC order
Callide Energy Pty Ltd	Deed of cross guarantee ASIC order
CS Energy Group Holdings Pty Ltd	Dormant
CS Energy Group Operations Holdings Pty Ltd	Dormant
CS Energy Kogan Creek Pty Ltd	Deed of cross guarantee ASIC order
CS Energy Oxyfuel Pty Ltd	Deed of cross guarantee ASIC order
CS Kogan (Australia) Pty Ltd	Deed of cross guarantee ASIC order
Kogan Creek Power Pty Ltd	Deed of cross guarantee ASIC order
Kogan Creek Power Station Pty Ltd	Deed of cross guarantee ASIC order
<b>Controlled entities of Energy Queensland Limited</b>	
Energex Limited	Deed of cross guarantee ASIC order
Ergon Energy Corporation Limited	Deed of cross guarantee ASIC order

Public sector entity	Reason for not preparing financial statements
Ergon Energy Telecommunications Pty Ltd	Non-reporting
Metering Dynamics Pty Ltd	Deed of cross guarantee ASIC order
SPARQ Solutions Pty Ltd	Deed of cross guarantee ASIC order
Varnsdorf Pty Ltd	Dormant
VH Operations Pty Ltd	Dormant
Yurika Pty Ltd	Deed of cross guarantee ASIC order
<b>Controlled entities of Powerlink</b>	
FibreCo Queensland Pty Ltd	Non-reporting
Harold Street Holdings Pty Ltd	Non-reporting
Powerlink Transmission Services Pty Ltd	Non-reporting
<b>Controlled entities of Stanwell</b>	
Energy Portfolio 1 Pty Ltd	Dormant
Glen Wilga Coal Pty Ltd	Dormant
Goondi Energy Pty Ltd	Non-reporting
Mica Creek Pty Ltd	Deed of cross guarantee ASIC order
SCL North West Pty Ltd	Deed of cross guarantee ASIC order
Tarong Energy Corporation Pty Ltd	Dormant
Tarong Fuel Pty Ltd	Deed of cross guarantee ASIC order
Tarong North Pty Ltd	Non-reporting
TEC Coal Pty Ltd	Deed of cross guarantee ASIC order
TN Power Pty Ltd	Deed of cross guarantee ASIC order
<b>Ports</b>	
<b>Controlled entities of Gladstone Ports Corporation Limited</b>	
Gladstone Marine Pilot Services Pty Ltd	Non-reporting
<b>Controlled entities of North Queensland Bulk Ports Limited</b>	
Mackay Ports Limited	Dormant
Ports Corporation of Queensland Limited	Dormant



Public sector entity	Reason for not preparing financial statements
<b>Queensland Investment Corporation (QIC)</b>	
<b>Controlled entities of QIC Limited</b>	
Canberra Centre Investments Pty Ltd	Dormant
Capital Parking Pty Ltd	Non-reporting
Claremont Retail Company Pty Ltd	Dormant
Eastland Property Holdings Pty Ltd	Dormant
Eastland Ringwood Office Pty Ltd	Non-reporting
Pacific Echo Pty Limited	Dormant
QACPF 555 Lonsdale Pty Ltd	Non-reporting
QACPF Big Top Pty Ltd	Non-reporting
QACPF Miller Property Pty Ltd	Dormant
QACPF Nerang Mall Pty Ltd	Non-reporting
QACPF No. 7 Pty Ltd	Dormant
QACPF Pakenham Place Pty Ltd	Non-reporting
QACPF Pittwater Place Pty Ltd	Non-reporting
QACPF The Village Mt Gravatt Pty Ltd	Non-reporting
QBDF Pty Ltd	Dormant
QBF No. 1 Pty Ltd	Dormant
QBF No. 2 Pty Ltd	Dormant
QGIF Carry Rebate Trust	Dormant
QGIF Co No. 1 Pty Ltd	Dormant
QGIF Co No. 1A Pty Ltd	Dormant
QGIF Co No. 2 Pty Ltd	Non-reporting
QGIF Co No. 2A Pty Ltd	Non-reporting
QGIF Europe Limited	Non-reporting
QGIF Finance Co (Australia) Pty Ltd	Dormant
QGIF Horizon HoldCo Limited	Dormant
QGIF Jar Aggregator Limited	Dormant
QGIF Obligor No. 5A Ltd	Dormant
QGIF Obligor No. 5B Ltd	Dormant
QIC (UK) Management Limited	Dormant
QIC Active Retail Property Fund TST Company Pty Ltd	Non-reporting
QIC Active Retail Property Fund TT Company Pty Ltd	Non-reporting
QIC Asia Real Estate Investments Pty Ltd	Non-reporting
QIC Australia Core Plus Fund TT Company Pty Ltd	Non-reporting
QIC Brisbane Airport Queensland Government Clients Trust	Non-reporting
QIC Business Development Fund	Non-reporting
QIC CM Pty Ltd	Dormant
QIC Coomera Pty Ltd	Dormant

Public sector entity	Reason for not preparing financial statements
QIC Corporate Management, Inc	Non-reporting
QIC Developments Pty Ltd	Dormant
QIC Epping Pty Ltd	Dormant
QIC Finance (Property Fund) Pty Ltd	Dormant
QIC Global Infrastructure (US), Inc	Non-reporting
QIC Global Infrastructure Fund Europe AIV A Ltd	Dormant
QIC Global Infrastructure Fund Europe AIV B Ltd	Dormant
QIC Global Infrastructure Fund Feeder GP Limited	Dormant
QIC Helensvale Pty Ltd	Dormant
QIC Hi Yield Pty Ltd	Dormant
QIC Infrastructure Management Pty Ltd	Non-reporting
QIC Infrastructure Management No. 2 Pty Ltd	Non-reporting
QIC Infrastructure Management No. 3 Pty Ltd	Dormant
QIC Infrastructure Management No. 4 Pty Ltd	Dormant
QIC Initial Unitholder Pty Ltd	Non-reporting
QIC International Real Estate Investments Pty Ltd	Dormant
QIC Investments No. 1 Pty Ltd	Non-reporting
QIC Investments No. 2 Pty Ltd	Non-reporting
QIC Investments No. 3 Pty Ltd	Non-reporting
QIC Logan Hyperdome Pty Ltd	Dormant
QIC Logan Hyperdome (No. 2) Pty Ltd	Dormant
QIC Merrifield Pty Ltd	Dormant
QIC Merry Hill Pty Ltd	Non-reporting
QIC Non-Member Manager LLC	Non-reporting
QIC Noosa Civic Pty Ltd	Dormant
QIC North America Investments Pty Ltd	Dormant
QIC North Asia Real Estate Investment Pty Ltd	Dormant
QIC NZ Power Trust No. 3	Non-reporting
QIC NZ Power Trust No. 4	Non-reporting
QIC Office Fund TST Company Pty Ltd	Non-reporting
QIC Office Fund TT Company Pty Ltd	Non-reporting
QIC Properties US, Inc	Non-reporting
QIC Property Fund TST Company Pty Ltd	Non-reporting
QIC Property Fund TT Company Pty Ltd	Non-reporting
QIC Property Management Pty Ltd	Dormant
QIC Real Estate Pty Ltd	Dormant
QIC Retail Pty Ltd	Non-reporting
QIC Retail (No. 2) Pty Ltd	Dormant
QIC Ringwood Pty Ltd	Dormant



Public sector entity	Reason for not preparing financial statements
QIC Robina Pty Ltd	Dormant
QIC Shopping Centre Fund TST Company Pty Ltd	Non-reporting
QIC Shopping Centre Fund TT Company Pty Ltd	Non-reporting
QIC Toowoomba Pty Ltd	Dormant
QIC UK No. 1 Holding Limited	Dormant
QIC US Investment Services Inc	Non-reporting
QIC Werribee Pty Ltd	Dormant
QIC Westpoint Pty Ltd	Non-reporting
QPC Investments No. 1 Pty Ltd	Dormant
QPFTT/QSCFTT 50/50 TST Company Pty Ltd	Non-reporting
QPFTT/QSCFTT 75/25 TST Company Pty Ltd	Non-reporting
Queensland BioCapital Funds Pty Ltd	Dormant
Queensland Motorways Properties Pty Ltd	Dormant
TIF3 Pty Ltd	Dormant
Watergardens Pty Limited	Dormant
<b>Rail</b>	
<b>Controlled entities of Queensland Rail Limited</b>	
On Track Insurance Pty Ltd	Non-reporting
<b>Water</b>	
<b>Controlled entities of Northern SEQ Distributor-Retailer Authority (trading as Unitywater)</b>	
Unitywater Properties Pty Ltd	Non-reporting
<b>Controlled entities of Sunwater Limited</b>	
Burnett Water Pty Ltd	Deed of cross guarantee ASIC order
Eungella Water Pipeline Pty Ltd	Deed of cross guarantee ASIC order
North West Queensland Water Pipeline Pty Ltd	Deed of cross guarantee ASIC order
<b>Other</b>	
City North Infrastructure Pty Ltd	Dormant
Endpoint IQ Pty Ltd	Non-reporting
GenomiQa Pty Ltd	Non-reporting
Network Infrastructure Company Pty Ltd	Dormant
Q-Gen Pty Limited	Dormant
Queensland Airport Holdings (Cairns) Pty Ltd	Dormant
Queensland Airport Holdings (Mackay) Pty Ltd	Dormant
Queensland Trade and Investment Office Pty Ltd	Dormant
Sunshine Locos Pty Limited	Dormant
Vaccine Solutions Pty Ltd	Non-reporting
Sunshine Coast Racing Pty Ltd	Non-reporting

Source: Queensland Audit Office.

# G. Audit opinions not yet issued

Audit opinions for the following entities had not yet been issued as at the time of tabling this report.

**Figure G1**  
**Audit opinions not yet issued**

Entity	Financial year
Bollon South Water Authority Burdekin Shire River Improvement Trust Cairns River Improvement Trust Cassowary Coast River Improvement Trust Eugun Bore Water Authority Herbert River Improvement Trust South Maroochy Drainage Board Tropical Australian Academic Health Centre Limited Wambo Shire River Improvement Trust	2019–20
Bollon South Water Authority Burdekin Shire River Improvement Trust Eugun Bore Water Authority Herbert River Improvement Trust	2018–19
Bollon South Water Authority Burdekin Shire Rivers Improvement Trust Eugun Bore Water Authority Herbert River Improvement Trust	2017–18
Bollon South Water Authority Eugun Bore Water Authority Herbert River Improvement Trust	2016–17
Bollon South Water Authority Eugun Bore Water Authority Herbert River Improvement Trust	2015–16

Source: Queensland Audit Office.



## H. Audit opinions issued for prior financial years

The following table contains the audit opinions issued for prior financial years that were not finalised when we issued *Queensland state government entities: 2018–19 results of financial audits* (Report 8: 2019–20).

**Figure H1**  
**Audit opinions issued for prior financial years**

Entity	Legislative deadline	Audit certification date	Audit opinion type
Aboriginal Centre for the Performing Arts Pty Ltd	31.12.2019	19.12.2019	Unmodified
Babinda Swamp Drainage Board	31.08.2019	29.11.2019	Unmodified
Brigooda Water Board	31.08.2019	18.12.2019	Qualified
Cairns River Improvement Trust	31.08.2019	17.01.2020	Unmodified
Don River Improvement Trust	31.08.2019	10.07.2020	Unmodified
East Deeral Drainage Board	31.08.2019	12.12.2019	Disclaimer
Ingie Water Authority	31.08.2019	06.12.2019	Qualified
Orchard Creek and East Euramo Drainage Board	31.08.2019	08.07.2020	Unmodified
Premier's Disaster Relief Appeal Fund	–	30.01.2020	Unmodified
QIC US Regional Mall Fund No. 1 *	31.03.2020	25.03.2020	Unmodified
QIC US Regional Mall Fund No. 2 *	31.03.2020	26.03.2020	Unmodified
Queensland Trust for Nature Fund	31.12.2019	13.12.2019	Unmodified
Scenic Rim Rivers Improvement Trust	31.08.2019	04.02.2020	Unmodified
Silkwood Drainage Board	31.08.2019	06.03.2020	Unmodified
South Maroochy Drainage Board	31.08.2019	31.01.2020	Disclaimer
Sunshine Coast Health Institute *	30.06.2020	03.03.2020	Unmodified
Wambo Shire River Improvement Trust	31.08.2019	17.02.2019	Unmodified
Whitsunday Rivers Improvement Trust	31.08.2019	17.08.2020	Unmodified
Whitsunday Rivers Improvement Trust	31.08.2018	14.05.2020	Unmodified

Note: \* These entities have a financial year end of 31 December.

Source: Queensland Audit Office.



# I. Glossary

Term	Definition
Accountability	The responsibility of public sector entities to achieve their objectives of delivering reliable financial reporting, effective and efficient operations, compliance with applicable laws, and reports to interested parties.
<i>Auditor-General Act 2009</i>	An Act of the State of Queensland that establishes the responsibilities of the Auditor-General, the operation of the Queensland Audit Office, the nature and scope of audits to be conducted, and the relationship of the Auditor-General with parliament.
Australian accounting standards	The rules by which financial statements are prepared in Australia. These standards ensure consistency in measuring and reporting on similar transactions.
Controlled entity	An entity owned by one or more public sector entities. The controlling entity can dominate decision-making, directly or indirectly, in relation to financial and operating policies so as to enable that other entity to operate with it in achieving the objectives of the controlling entity.
Deficiency	When internal controls are ineffective or missing, and are unable to prevent, or detect and correct, misstatements in the financial statements. A deficiency may also result in non-compliance with policies and applicable laws and regulations and/or inappropriate use of public resources.
Disclaimer	An auditor disclaims an opinion when the auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, and the auditor concludes that the possible effects on the financial report of undetected misstatements, if any, could be both material and pervasive.
Entities audited by arrangement	An audit by the Auditor-General of an entity that is not a public sector entity, conducted at the request of a minister or a public sector entity and with the consent of the entity.
Emphasis of matter	A paragraph included with an audit opinion to highlight an issue of which the auditor believes the users of the financial statements need to be aware. The inclusion of an emphasis of matter paragraph does not modify the audit opinion.
Material	An item is material if its misstatement or omission could affect the decisions of the users of the financial statements, or the discharge of accountability by management.
Misstatement	A difference between the amount, classification, presentation, or disclosure of a reported financial report item and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework. Misstatements can arise from error or fraud.
Modified audit opinion	A modified opinion is expressed when financial statements do not comply with the relevant legislative requirements and Australian accounting standards and, as a result, are not accurate and reliable.

Term	Definition
Qualified audit opinion	<p>A qualified opinion is issued when the financial statements as a whole comply with relevant accounting standards and legislative requirements, with the exceptions noted in the opinion.</p> <p>These exceptions could be the effect of a disagreement with those charged with governance, a conflict between applicable financial reporting frameworks, or a limitation on scope that is considered material to an element of the financial report.</p>
Significant deficiency	<p>A deficiency, or combination of deficiencies, in an internal control, that requires immediate remedial action.</p>
Unmodified audit opinion	<p>An unmodified opinion is expressed when financial statements are prepared in accordance with the relevant legislative requirements and Australian accounting standards.</p>





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